

CAI
23

08 D 21 v. 7

INVESTIGATION

DEPARTMENT OF MARINE AND FISHERIES

REVIEW COPY

HON. MR. JUSTICE CASSELS

PART VIII

TRANSLATION IN ENGLISH GIVEN IN FRENCH REFERRED TO IN
CERTAIN PLACES IN PART III.



REVIEW COPY
PRINTED IN CANADA, PRINTED IN THE UNITED KINGDOM
BY GOULD STAMP CO.

INVESTIGATION

RE

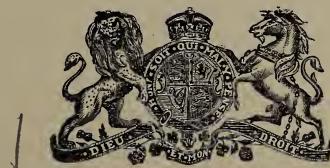
DEPARTMENT OF MARINE AND FISHERIES

BEFORE THE

HON. MR. JUSTICE CASSELS

PART VII

TRANSLATION OF EVIDENCE GIVEN IN FRENCH, REFERRED TO IN
DIFFERENT PLACES IN PART III.



OTTAWA

PRINTED BY C. H. PARMELEE, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1909

INVESTIGATION RE DEPARTMENT OF MARINE AND FISHERIES

BEFORE

THE HON. MR. JUSTICE CASSELS

TRANSLATION OF EVIDENCE GIVEN IN FRENCH, REFERRED TO IN DIFFERENT PLACES IN PART III.

This fourth day of November, 1908, F. X. GAGNON appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioners.

Q. You must have other books besides this?—A. No, sir.

Q. Not one?—A. They generally keep that one in the market place. All I kept was two books. I had another one before.

Q. Have you a cash book?—A. No, sir.

Q. You do not keep a cash book?—A. No, sir.

Q. You must have a bank account?—A. Only since last year. Up to 1906 I had no bank account.

Q. In what bank is your account?—A. The Bank of Hochelaga.

Q. You must have the cheque stubs—a cheque book?—A. No, sir.

Q. You give cheques?—A. I take the cheques at the banks, when I want them.

Q. You will produce your bank book at half past two?—A. I can give it you immediately.

Q. Have you it here?—A. Yes, sir.

Q. Produce it then at once.

(The witness searches his pocket for the bank book.)

A. No, sir, I have not got it.

Q. It must be here at half past two?—A. Yes, sir.

Q. At half past two you will have this bank book?—A. Yes, sir.

Q. Now, you have no cheque at all? Not a cheque stub?—A. No, sir.

Q. Have you a bookkeeper?—A. No, sir, I do my business myself.

Q. Have you a book in which you keep a copy of the letters you send?—A. I have not.

Q. Do you keep the letters you receive?—A. Sometimes.

Q. The letters you have received from the department, or from Mr. Gregory, or any officer of the department must be here at half past two?—A. I take these letters to be of no use.

Q. If you have letters from any of the officers, from the captains of vessels, you must have them here at half past two?—A. I have none.

Q. Look in any case?—A. I have none, I am quite sure.

And further this deponent sayeth not.

This fourth day of November, 1908, F. X. DROLET, machinist, of the city of Quebec, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. PERRON, K.C., one of the counsel assisting the Commissioner.

Q. You have a ledger?—A. I will tell you at once. I know nothing at all of the books.

Q. Answer my question. You know you should have a ledger?—A. I should.

Q. You have a journal?—A. I know nothing of the books.

Q. You have a bank book?—A. There should be that as well.

Q. You have a cheque book. You have a bank account?—A. To tell the truth, I know nothing about that.

Q. Tell your accountant to be here at half past two with those books. Your accountant is under your control. It is for you to bring him?—A. Very well.

Q. When you wrote letters, you kept copies, and when you receive letters you keep them. You will bring your letter book, as well as the letters received, whether from the Marine Department or Mr. Gregory, or any of the officers of the department, at half past two p.m.?—A. Very well.

And further this deponent sayeth not.

This fourth day of November, 1908, ARCHANGE RACINE appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. You keep books, Mr. Racine?—A. It is not I who keep them.

Q. You keep them, in any case?—A. Yes, sir.

Q. You have a journal?—A. Yes, sir.

Q. A ledger?—A. Yes, sir.

Q. A cash book?—A. Yes, sir.

Q. A bank book?—A. Yes, sir.

Q. Where is your bank account?—A. At the Bank of Hochelaga, and a small account at the Banque Nationale.

Q. You have two accounts, one at the Banque Nationale, and the other at the Bank of Hochelaga? You must draw cheques?—A. Yes, sir.

Q. You have a cheque book and the cheque stubs?—A. Yes, sir.

Q. You will bring them this afternoon, at half past two; bring all these books?—A. Yes, sir.

Q. You have copies of letters; when you write letters you keep a copy?—A. Yes, sir. We have never written to the government.

Q. To the government, or to employees?—A. We have never written.

Q. To Mr. Gregory?—A. Never, sir.

Q. You have received letters?—A. It is by orders, they have never written.

Q. Who is your bookkeeper?—A. Mr. Drouin. He was here, this morning.

Q. He must be here, this afternoon, with you, at half past two?—A. We cannot close the store.

Q. Is Mr. Terreau not there?—A. Yes, sir, he is there.

Come, with your bookkeeper this afternoon. You will bring your books, since 1904, as stated in your subpoena?—A. If all the journals must be brought—there are two yearly—it will be many to bring.

Q. What would you have me do? Bring all I have told you?—A. Very well.

And further deponent sayeth not.

This fourth day of November, 1908, JEAN BAPTISTE COTE appears before Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. You are a plumber?—A. Yes, sir.

Q. You keep books?—A. I only keep a small account book.

Q. You keep a book at all events?—A. Yes, sir.

Q. What do you call it?—A. I only keep one book; I do not know what it is called.

Q. Have you a bookkeeper?—A. No, sir.

Q. Have you a bank book?—A. Yes, sir.

Q. You have a bank account?—A. No, sir.

Q. You have no bank account?—A. It is at the Caisse d'Economie.

Q. It is a bank, the Caisse d'Economie?—A. I have an account there.

Q. You have a bank book?—A. Yes, sir.

Q. Well, you will bring it this afternoon, at half past two?—A. Very well, sir.

Q. When you write letters you keep copies?—A. I have never written to the department.

Q. I do not ask you that. I ask you: When you write letters, you keep a copy?—A. Yes, sir. I cannot remember having written to the department.

Q. When you receive letters, you keep them?—A. I keep them sometimes.

Q. You will bring the letters you have received from the Marine Department, from Mr. Gregory, or from no matter what officer of the Marine Department?—A. I do not know that I have any.

Q. You have a cheque book?—A. No, sir, I have not.

Q. You will bring you bank book, with your letter-copying book, as well as the letters you have received from any one of the Marine Department; you will come with all this to the court at half past two, this afternoon?—A. Yes, sir.

And further this deponent sayeth not.

This fourth day of the month of November, 1908, JEAN BAPTISTE MORIN appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. Mr. Morin, you keep a ledger, I suppose?—A. I am not an educated man; I do not know that.

Q. You have a bookkeeper, who keeps your ledger?—A. It is my daughter who keeps the books.

Q. You have a cash book; a journal?—A. No, sir. It is very simple.

Q. You have a cash book, at all events?—A. No, sir.

Q. You have a bank account?—A. No, sir.

Q. You have no bank account?—A. No, sir, I have no bank account.

Q. None? You do not deposit your money anywhere?—A. No, sir, never.

Q. Do you keep a copy of the letters you write?—A. I do not know if there are any.

Q. Will you look if there is any, and return to the court at half past two, with your bookkeeper and your books, as well as the letters you have received and copies of letters you have sent to the Marine Department, if there are any. Bring everything?—A. All that I can bring, I will.

And further this deponent sayeth not.

This fifth day of November, 1908, F. X. DROLET appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. You were questioned yesterday and required to bring your books?—A. Yes, sir.

Q. Have you brought your books?—A. Yes, sir.

Q. Will you show them to me, if you please?—A. Here are some; and the remainder are on the other side.

Q. Will you have them brought? They will place them here?—A. I will fetch them.

Q. Do you know where the account of the Marine Department is?—A. No, sir.

Q. Is this your cash book?—A. Yes, sir, this is my cash book.

Q. That one is your bank book?—A. Yes, sir.

Q. Could you show me your cheque book?—A. Yes, sir; here it is. (The witness hands the counsel the cheque book.)

Q. Since 1903-4 you have done considerable business with the Marine Department?—A. Yes, sir.

Q. Through the means of Mr. Gregory?—A. Yes, sir.

Q. Like the others, you have paid commissions?—A. Pardon. I have not paid commissions.

Q. What is it that you have paid?—A. I said yesterday it was not I who conducted these transactions; that is to say: I have paid nothing. With Mr. Gregory I have had no dealings, with Mr. Gregory direct.

Q. Who carried on business with Mr. Gregory?—A. It was my clerk.

Q. How much has your clerk paid to Mr. Gregory?—A. I do not know.

Q. What is the name of your clerk?—A. Elzéar Audibert.

Q. He is sick, is he not?—A. Yes, sir, he is sick. I have a letter from the doctor here.

Q. Do you know, yourself, if there have been sums of money paid to Mr. Gregory?—A. The books show that he has been paid; it is the only proof I have.

Q. The books show how much?—A. I do not know.

Q. What knowledge have you from the books yourself?—A. I know nothing from my books.

Q. If you would look?—A. I have had my clerk give me a little list.

Q. Give me the list. It will save you trouble. (The witness exhibits to the counsel the list in question.)?—A. From what he has given me, this is the total that has been paid to Mr. Gregory, according to the amount of business done.

Q. \$8,130, since 1904; that is the amount of the commissions paid to Mr. Gregory?—A. It is what is marked on the list.

Q. These are the sums that your clerk has given you?—A. Yes, sir, when I asked him, this morning, for a recapitulation of them, this is what he gave me.

Q. Will you produce this list as Exhibit No. 117?—A. Yes, sir.

Q. Now are you able to state how much business you have done with the Marine Department since 1904?

(The witness does not reply).

By Mr. Choquette, K.C., Counsel for Mr. J. U. Gregory:

(The Counsel for Mr. Gregory, and in his presence, admits that the sum mentioned in the statement of account produced by Mr. Perron is about correct.)

Honourable Mr. CASSELS makes the following remarks:—

If the sums mentioned in this statement of account are correct, they represent 5 per cent on the orders obtained from the department.

By Mr. J. L. Perron:

Q. Can Mr. Audibert give all the necessary details as to these different payments?—A. Yes, sir.

Q. Now, do you know if these payments were made to Mr. Gregory by cheques?—A. I am not able to tell you.

Q. You know absolutely nothing of it yourself, personally?—A. No, sir, nothing at all.

Q. As a matter of fact, you take no part in the keeping of your books?—A. No, sir. I have a man in whom I place confidence. He has all the latitude possible in my office. I am occupied with other things; I attend to the work only; I look after the shop,

Q. Now, have you paid other sums to other officers of the Marine department, besides Mr. Gregory?—A. I? I have never paid anything to anyone.

Q. It is the same thing; it is Elzéar Audibert who paid it?—A. Yes, sir.

Q. How much have you paid to Captain Koenig, of the *Arctic*?—A. I do not know.

Q. How much have you paid to Captain Gagné?—A. I do not know.

Q. Will you have Mr. Audibert prepare a statement similar to this one, as to what concerns Captain Koenig?—A. Very well.

Q. Do you know Mr. Fontaine, in the employ of the Marine Department?—A. Yes, sir.

Q. What does he do?—A. He is an engineer.

Q. Engineer on what vessel?—A. He is engineer on board the *Montcalm*.

Q. Has Mr. Audibert paid anything to Mr. Fontaine?—A. There is something on the books for him. I am not able to state the amount.

Q. Will you have Mr. Audibert prepare a statement, similar to this one, as to what concerns Mr. Fontaine?—A. Yes, sir.

Q. Then to-morrow morning, you will return to court and will have with you statements as to what concerns Captain Koenig and Mr. Fontaine?—A. Yes, sir.

Q. Now, if there are other amounts that have been paid to other officers of the department, a similar statement must be prepared by Mr. Audibert?—A. Yes, sir.

Q. In that case will you be here to-morrow morning, with those statements?—A. Yes, sir.

Q. You will bring them to-morrow morning, with you?—A. Yes, sir.

(The deposition of this witness is adjourned until to-morrow the sixth day of November, one thousand nine hundred and eight.)

And, resuming, the sixth day of November, one thousand nine hundred and eight, F. X. Drolet continues his deposition as follows:—

Examined by Mr. J. L. Perron, K.C.:

Q. You were to have your accountant, Mr. Audibert, prepare the statement of the moneys that have been paid to Captain Koenig and Mr. Fontaine. Have you had time to get that statement prepared?—A. Yes, sir.

Q. Will you show it to me, if you please?

(The Witness hands the counsel the statement in question.)

Q. Will you produce this list as Exhibit No. 120?—A. Yes, sir.

Q. This is a list prepared by your accountant, Mr. Audibert, giving the names of employees of the Marine Department who have received bonuses from your house, from 1904 to 1907, inclusive, with the various amounts received by each of them?—A. Yes, sir.

Q. This statement was prepared by your accountant, Audibert, and was taken from your books?—A. Yes, sir.

Q. The first name on the list is Narcisse Dufour, who received \$470?—A. Yes, sir.

Q. What is his occupation?—A. A smith.

Q. He is a smith, in the employ of the department, here?—A. Yes, sir.

Q. Stewart, \$220. What does he do, here?—A. His Christian name?

Q. I do not know; it is not mentioned on the list.—A. I cannot tell you what he does.

Q. Nolet, \$70, what does he do?—A. He must be one of the lighting engineers, of the lighthouses.

Q. Quellec, \$120. What does he do?—A. I do not know him.

Q. Leblanc, \$146. Will you tell me what he does?—A. I do not know him either.

Q. Captain Bélanger, \$105. Of what vessel is he captain?—A. He is the captain of the *Montcalm*.

Q. Paul Bolduc, \$1,502. What does he do?—A. He must be the engineer of the *Druid*.

Q. J. Van Koenig, \$42. What does he do?—A. He is the engineer of the *Arctic*.

Q. He is the engineer of the *Arctic*?—A. Yes, sir.

Q. Joseph Lemieux, \$35. What does he do?—A. He is the first engineer of the *Arctic*.

Q. J. Van Koenig is the second engineer?—A. There were two engineers on board the *Arctic*; there were two, who came one after the other.

Q. G. Bélanger, \$41. What does he do?—A. I do not know him.

Q. Captain Koenig, \$740. What does he do?—A. He is captain of the *Druid*.

Q. What vessel did you say he was captain of?—A. I think he was captain of the *Druid*.

Q. O'Farrell, \$272. What does he do?—A. He is the Inspector of Lights.

Q. J. H. Pettit, \$697. What does he do?—A. I believe he was engineer on board the *Montcalm*.

Q. E. Filteau, \$195. What does he do?—A. I do not know him.

Q. Tasker, \$60. What does he do?—A. I do not know.

Q. L. Gagné, \$15. What does he do?—A. It must be Louis Gagné. He is employed by the Marine Department.

Q. Arthur Samson, \$25. What does he do?—A. I do not know.

Q. Leitch, \$25. What does he do?—A. I do not know him.

Q. Joseph Ferguson, \$30. What does he do?—A. He is the former engineer of the *Aberdeen*.

Q. Is he still in the employ of the department?—A. I could not say.

Q. T. Thériault, \$464. What does he do?—A. I know the man, but could not say which is his ship.

Q. C. T. Schmidt, \$1,773. What does he do?—A. He is chief engineer.

Q. Joseph Fontaine, \$790. He is the chief engineer of the *Montcalm*?—A. Yes, sir.

Q. Beauchemin, \$1,075. Who is this Beauchemin?—A. He is Albert Beauchemin.

Q. What is his occupation?—A. He is on board a dredge; the *Beaujeu*, I think it is.

Q. Joseph Bélanger, \$115. What does he do?—A. I do not know him.

Q. A Roy, \$130. What does he do?—A. I do not know him.

Q. J. L. Richard, \$25. What does he do?—A. I do not know what he does.

Q. He is employed by the Marine Department?—A. Yes, sir, but I do not know what he does.

Q. He is employed here, at Quebec?—A. Yes, sir, as a machinist.

Q. Captain McGaugh, \$25. What vessel is he captain of?—A. He is captain of the *Champlain*.

Q. Eugène Bélanger, \$135. What does he do?—A. I do not know this one, either.

And further this deponent sayeth not.

Mr. WATSON, one of the counsel assisting the Commissioner, makes the following remarks:—

'In adding up the various sums shown on the statement, Exhibit No. 120, I find they reach between nine and ten thousand dollars, for the three years, 1904 to 1907.'

This fifth day of November, 1908, Joseph Samson, iron merchant, appears before the Honourable W. G. P. CASSE.S, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. PERRON, K.C., one of the counsel assisting the Commissioner.

Q. What is your Christian name?—A. Joseph Samson.

Q. Mr. Samson, you are the senior partner in the firm of Samson & Filion?—A. Yes, sir.

Q. You were, for a number of years, the partner of Filion, now deceased?—A. Yes, sir.

Q. From what year to what year was the former firm of Samson & Filion, composed of yourself and Mr. Filion, in existence?—A. From 1897 to 1900.

Q. Since 1900, you have been alone?—A. Yes, sir, I was four years alone.

Q. From 1900 to 1904 you were alone?—A. Yes, sir.

Q. Until what month were you alone?—A. I was alone until the end of December.

Q. Until the end of December, 1904?—A. Yes, sir.

Q. And then you formed a partnership with whom?—A. I formed a partnership with Mr. Henri Lemieux.

Q. Under the name of Samson & Filion?—A. Yes, sir.

Q. You have your books with you?—A. I have not, myself; it is my partner who has them.

Q. Do you know anything of the books yourself?—A. I know nothing whatever of the books since Mr. Lemieux joined me.

Q. Mr. Lemieux keeps the books entirely?—A. Yes, sir.

Q. It is Mr. Lemieux who signs the cheques and documents?—A. Yes, sir.

Q. It is he who has possession of all the books?—A. Yes, sir.

Q. Will you step down for a moment; I will interrogate your partner, Mr. Lemieux?—A. Very well, sir.

And further this deponent sayeth not.

This sixth day of November, 1908, JOSEPH SAMSON appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. PERRON, K.C., one of the counsel assisting the Commissioner.

- Q. You are the senior partner in the firm of Samson and Filion?—A. Yes, sir.
Q. You have been in business since 1887?—A. Yes, sir.
Q. You do considerable business at Quebec?—A. Sufficiently so.
Q. You do a large business?—A. We do enough for our requirements.
Q. I understand you have the largest store in the iron trade in Quebec?—A. No, sir.
Q. The second, the third?—A. Further than that.
Q. According to you, you know the iron houses in Quebec; you may class yourself in the category you desire; the fifth or the sixth?—A. The seventh or eighth.
Q. Up to 1900 you were in partnership with Mr. Filion?—A. Yes, sir.
Q. From 1900 to 1904 you were alone?—A. Yes, sir.
Q. Until the 31st of December, 1904?—A. Yes, sir.
Q. And since the 1st of January, 1905, until to-day, you have been in partnership with Mr. Lemieux; who has just been heard as a witness?—A. Yes, sir.
Q. You keep a wholesale store?—A. Wholesale and retail.
Q. Which is the largest business you carry on, wholesale or retail?—A. The two branches are about equal.
Q. Who has been your largest customer since 1904?—A. It was about—
Q. Who is the person, or the customer, to whom you sell the most?—A. From what I understand, it is the government.
Q. From what you know?—A. What I believe.
Q. From what you know, it is the government, by a great deal, is it not?—A. It is a good customer.
Q. It is a good customer from all points of view—on the point of view of quantity?—A. That depends.
Q. And from the point of view of quality; it is a good pay?—A. Yes, sir.
Q. And from the point of view of price?—A. Yes, sir, it is a good customer.
Q. Have you any doubts?—A. No, sir, I have no doubts.
Q. You have sold for about \$25,000 a year from 1904 to 1907, to the Marine Department?—A. I could not state with certainty.
Q. You have no doubt it would amount to above \$20,000 a year?—A. About that amount.
Q. You have charged the retail price on goods sold to the Marine Department?—A. Yes, sir, I believe so.
Q. Why did you charge the department the retail price?—A. Because of the trouble, the different kinds of labour, the different kinds of work, we had to do.
Q. The trouble and the labour that you had to do; that calls for explanation; that—You have no doubt, have you, that a customer who buys from you to the extent of \$20,000 a year, should be treated as a wholesale merchant?—A. That is according to circumstances.
Q. You swear that a man who buys from you for \$20,000 a year—you have suspicions that he could not pass for a wholesale merchant?—A. A house can buy for \$20 a year and can give more trouble than a person who buys for \$100.
Q. Then I understand that the account of the department caused considerable trouble?—A. Yes, sir, sometimes.
Q. Always?—A. No, not always.
Q. What are the troubles, of so extraordinary a description, that the department caused you?—A. It was in sometimes calling for goods that were very difficult to have;

we had to go to considerable expense to procure them; we were put to considerable charges on various things to get them; so that we had to charge a price to cover our expenses.

Q. Must I understand that all you enumerate is a complete *resumé* of the enormous troubles the department caused you?—A. Yes, sir.

Q. Were there other troubles?—A. I believe not.

Q. Then, if I understand aright, the department compelled you to obtain goods sometimes that you did not keep in stock?—A. Yes, sir.

Q. And being obliged to expend considerable money to obtain these goods, is the subject of your complaints?—A. Yes, sir, for certain goods.

Q. Will you tell me what is the proportion of the goods, amounting to above \$20,000 a year, that you sold to the department that you were forced to obtain at such considerable trouble?—A. I cannot say precisely.

Q. Five per cent?—A. More than that.

Q. Ten per cent?—A. More than that.

Q. Fifteen or twenty per cent?—A. Twenty per cent.

Q. Then there was twenty per cent of these goods that you sold to the Marine Department that you could only obtain by unusual expenses and efforts?—A. Yes, sir.

Q. And it is for that reason that on the other eighty per cent that you sold to the government you charged retail prices?—A. Yes, sir.

Q. Then let us continue. Now, I presume that on the twenty per cent of goods that caused such uncommon trouble you lost money, since you recouped yourself on the eighty per cent of the goods by selling them at the retail price?—A. No, sir.

Q. You did not lose money?—A. No, sir.

Q. Must I understand that you charged for these extraordinary troubles on the twenty per cent of goods?—A. Yes, sir.

Q. The full price?—A. Yes, sir.

Q. And you recouped yourself again in charging retail prices on the 80 per cent of goods?—A. That is to say, the reason for which we charged that was that the prices were fixed by the department. We charged the prices that were agreed to.

Q. Let us not draw back if you please. Let us remain where we are. You have stated to me, have you not, that there was twenty per cent of the goods you sold to the department that caused you unusual trouble?—A. Yes, sir.

Q. And it was for that you charged the retail prices on the other eighty per cent; that is what you stated to me, was it not?—A. I say to you that we charged the prices that were agreed on with the department beforehand; what was agreed should be charged. The prices were asked, and we charged what was agreed, the prices that were agreed with the department.

Q. Was it the retail prices that you charged the department?—A. It was the prices agreed with the department that we charged.

Q. Was it the retail price?—A. Sometimes it was the retail price, and sometimes it was the wholesale price.

Q. What proportion of the retail price, and what proportion of the wholesale price, the proportion I suppose would be 5 per cent for the wholesale price?—A. It is more than that, but I could not tell you how much.

Q. On \$20,000 of goods that you sold the Marine Department, yearly, from 1904 to 1907, in what proportion have you charged the wholesale price and in what proportion have you charged the retail price?—A. Really, I could not precisely say.

Q. Can we not come to an understanding? If I made you an offer; if I told you that you had charged the retail price for four-fifths of the goods sold to the department, and that you had charged the wholesale price for a fifth of the goods?—A. No, sir, the offer would not be acceptable.

Q. Do you swear that one-fifth of the goods supplied to the Marine Department was charged at the wholesale price; do you swear that?—A. There was more than that.

Q. Take the accounts, show them to me; show me which are the goods that you have sold at the retail price and which are the goods that you have sold at the wholesale price?—A. (The witness examines the accounts). In these goods, that is to say, in the goods shown on the statement dated the 1st of August, 1906?

Q. What have you to say?—A. These goods have been charged at about the retail price.

Q. You always have, if you will permit a reproach, a bad habit, in your replies; it is always 'about,' or 'perhaps' or 'possibly so.' It is difficult to arrive at anything in that way. Have these goods been charged at the retail or wholesale price?—A. These goods are charged, according to me, at the retail price; but according to the prices fixed beforehand by the department.

Q. There is no doubt that it was fixed in advance? We shall see as to that. Will you produce this account of Samson & Filion, dated the 1st of August, 1906, as Exhibit No. 136?—A. Yes, sir.

Q. Take the statements of account before you and show me the goods sold to the department at the wholesale price; leave the retail for the time?—A. It was difficult to sell these goods at wholesale price.

Q. Why?—A. Because these were articles called for at retail.

Q. I would know this of you, to decide where we are: Have you, yes or no, sold goods to the Marine Department principally at the retail, or wholesale price? (The witness does not reply.)

Q. Is it not true, to finish with, that there is not a fifth of the goods sold to the department, that you have sold at the wholesale price?—A. Let us say yes.

Q. You see, if you had taken my offer at once, we should have finished long ago. When I make propositions to you, they are generally correct.—Now to bring the matter to the point; you have sold at the retail price because twenty per cent of these goods caused you trouble?—A. Yes, sir.

Q. Will you now give me the description of goods, this twenty per cent of goods, that caused you the trouble, what goods were they?—A. It was with iron plates—

Q. I wish to know, exactly, the description of this twenty per cent of goods, the cause of all the difficulty, this unfortunate twenty per cent of goods for which the department has been so punished; what was it?—A. I could not particularize exactly.

Q. You have a general idea; to begin with, you say there were iron plates?—A. Yes, sir.

Q. Was there anything else; in the shape of merchandise?—A. There were certain goods that we were obliged to get from the other side.

Q. There were certain goods that you were obliged to have brought over from England?—A. Yes, sir.

Q. What were these goods?—A. Filter cloths.

Q. Then?—A. I cannot state exactly, because as I have already said, since 1904 I have not been wholly occupied with the store.

Q. Only you have no doubt that what took place since 1904 is what occurred before 1904?—A. Yes, sir.

Q. It always went on the same way?—A. Yes, sir.

Q. These iron plates of which you speak, and the filter cloths, were not to be obtained in the country?—A. No, sir, not the iron plates.

Q. There was no one else at Quebec, who had them?—A. I believe not, of the sizes required.

Q. Was it a terrible affair to have these articles brought over? It would be necessary to write, to give orders, cable, telegraph, I suppose?—A. Yes, sir.

Q. You charged for all those telegrams?—A. We were obliged to.

Q. And you added your little profit to that?—A. Yes, sir.

Q. You have lost nothing by that?—A. Not that I am aware of.

Q. And notwithstanding that, notwithstanding you lost nothing on the 20 per cent of goods that caused you so much trouble, you recouped yourself on the other

80 per cent in selling at the retail price?—A. That is to say that I do not answer the question you would have answered. The question of the prices was settled in advance.

Q. It was a fine and did your business at the same time?—A. It did my business.

Q. What difference is there in your store between wholesale and retail prices?—A. It is, speaking generally, 10 per cent.

Q. Only?—A. Yes, sir.

Q. On the description of goods sold by you to the department, you say there is 10 per cent difference between the wholesale and the retail price?—A. About that in a general way.

Q. Were there cases in which the difference was greater?—A. Sometimes.

Q. Will you indicate the description of goods to which that applies?—A. It depends.

Q. If you could indicate one class?—A. Take the nails; if sold by the keg, there might be a difference of 25 to 30 per cent between the wholesale and retail.

Q. Mr. Lemieux said there was a difference of 50 per cent.—A. He put it too high.

Q. Let us say 30 per cent. Next?—A. Various small lines, sold by weight.

Q. To arrive at a conclusion; I suppose, if we put one thing with another, and take an average, there would be a difference of at least 20 per cent between the wholesale and retail prices on the goods you sold the department?—A. No, sir.

Q. Fifteen per cent?—A. No, sir, 10 per cent.

Q. There was not at least 15 per cent difference between the wholesale and retail prices?—A. No, sir; not so much as that. Ten per cent.

Q. You persist in 10 per cent?—A. Yes, sir.

Q. Do you swear that on the goods you sold to the department, one thing with another, there was not more than 10 per cent difference between the wholesale and retail prices?—A. About that.

Q. Was there not more than that?—A. Sometimes perhaps more, sometimes less.

Q. I am speaking to you of an average. Is it not true that the average was at least 15 per cent?—A. Oh, well, yes.

Q. Then you found yourself able to pocket 10 per cent net, of the profit; you gave 5 per cent to Mr. Gregory and kept 10 per cent for yourself?

Mr. CHOQUETTE, K.C., Counsel for Mr. J. U. Gregory, objects to this question.

Mr. PERRON consents to withdraw the above question.

Q. On this 15 per cent difference between the wholesale and retail prices of the goods you sold to the department, you had, in order to sell to the Marine Department additional expenses, that you had not in selling to others?—A. No, sir.

Q. Apart from the goods you previously mentioned as causing so much trouble, had you not additional expenses that were charged in your books, from time to time under the head of 'Commissions; so much for interest'?—A. The amounts mentioned are not charged in the prices; they are not charged in our prices.

Q. I understand that you sold to the Marine Department more than to any other retail merchant; and yet you charged the department the retail price instead of charging the wholesale price; this, according to you, gave you 15 per cent profit. I ask you now, if it is not true as regards this same 15 per cent, that you had an additional expense of 5 per cent more than you would have had to pay if you had sold to another merchant?—A. I say no, in the sense in which the question is put.

Q. Then what do you understand? You paid 5 per cent, did you not, to Mr. Gregory, on the amount of business you did with the Marine Department?—A. We paid 5 per cent for the money advanced to us.

Q. To whom did you pay it?—A. To Mr. Gregory.

Q. And this 5 per cent that you paid to Mr. Gregory was 5 per cent on the amount of the sales you made to the department?—A. No, sir.

Q. You swear it was not; the books show the contrary.—A. The books do not show that we paid a commission on the goods we sold to the Marine Department.

Q. The books show that you had Mr. Gregory accept drafts equivalent to the amount of goods you sold to the Marine Department, and you paid 5 per cent to Mr. Gregory on those drafts?—A. The 5 per cent was for the accommodation he gave us.

Q. The accommodation cost you nothing, cost nothing to Samson & Filion?—A. It cost us the portion of the profits we should otherwise have had.

Q. That is to say you charged the department fifteen per cent additional on the goods sold to it; you gave 5 per cent to Mr. Gregory; there remained 10 per cent profits to you?—A. No, sir.

Q. It is not that; how do you think it stands?—A. I say that the five per cent we paid to Mr. Gregory was for the accommodation he gave us.

Q. Mr. Samson, let us take things as they are. You admit, do you not, that the department was a merchant who bought more than any other merchant to whom you sold at the wholesale price; you admit that?—A. Yes, sir.

Q. Nevertheless you have charged the department fifteen per cent more than you would have charged a retail merchant. You admit that? The fifteen per cent that you mentioned was the difference between the wholesale and the retail price. You say that instead of charging the department the wholesale price you charged the retail price. Is that it?—A. Yes, sir.

Q. And the retail price is fifteen per cent higher than the wholesale price?—A. Yes sir, about that.

Q. You made fifteen per cent more profit with the department than you would have made in selling to other merchants?—A. On part of the goods, yes, sir.

Q. On that you were obliged to disburse five per cent to Mr. Gregory?—A. If we had not had Mr. Gregory's accommodation, we should have paid nothing.

Q. All the same, in paying five per cent to Mr. Gregory, with the prices you charged the Marine Department you were still ten per cent to the good.—A. Certainly.

Q. You admit that you were still ten per cent on the right side?—A. Yes, sir.

And the deposition of the present witness is adjourned to the 10th of November, 1908, at 10 o'clock in the morning.

This 10th day of November, 1908, SEVERIN MARTEL appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. PERRON, K.C., one of the counsel assisting the Commissioner:

Q. You are a grocer at Quebec?—A. Yes, sir.

Q. For how many years?—A. This is my ninth year.

Q. This is your ninth year?—A. Yes, sir.

Q. For how many years have you done business with the Marine Department?—A. Five or six.

Q. Speak loud, if you please?—A. I have done business with the Marine Department for five or six years.

Q. From 1903 to the end of 1907 you have sold a little over \$7,000?—A. About that amount.

Q. You have your books here?—A. Yes, sir.

Q. What books do you keep?—A. An ordinary set of books.

Q. A journal, a cash book, a ledger?—A. Yes, sir.

Q. You had a bank account?—A. Yes, sir.

Q. Will you produce all these books, if you please?—A. Yes, sir. (The witness produces his books.)

Q. We will take the account of the Marine Department in the ledger if you please?—A. For what year?

Q. For the year 1903. From the 1st of January, 1903?—A. Very well.

Q. You also were in the 5 per cent?—A. Yes, sir.

Q. Have you your cheque stubs?—A. It was not by cheques; I have no cheque stubs, or cheques, because I never used cheques to pay Mr. Gregory. It is for that reason I did not bring my cheques. Besides, you will find it all in my cash book.

Q. The cash book shows it?—A. Yes, sir.

Q. In that case, will you show your cash book; it will be shorter?—A. Yes, sir.

Q. It will be as well for you to take each entry and dictate to the stenographer. It will go faster.

(The witness examines his books).

Q. Is it not carried to the ledger?—A. No, sir, it is in my cash book.

Q. You did not carry it to the ledger at all?—A. No, sir, the moment that it was money paid it was cash.

Q. How much have you paid on an average to Mr. Gregory?—A. I paid 5 per cent on the account you have mentioned. I have not added it up.

Q. You paid 5 per cent commission to Mr. Gregory on the amount you have sold to the Marine Department?—A. Yes, sir.

Q. Find me a couple of payments. Then we will take them one after the other—read your cash entries, if you please?—A. The 22nd of June, 1904, I had a draft accepted by Mr. Gregory for \$582.

Q. And how much did you pay to Mr. Gregory?—A. I paid \$24 to Mr. Gregory.

Q. Is that the first transaction you had with him?—A. Yes, sir.

Q. It was your first transaction with him?—A. Yes, sir.

Q. Will you tell me how you came to have this transaction with Mr. Gregory?—A. If I remember aright, to the best of my knowledge, I went to Mr. Gregory's office—he dealt at my store for his family—I went to his office for other accounts. I went to collect money that he owed me. Mr. Gregory told me he had no money.

Q. You went to Mr. Gregory's office to collect money he owed on his personal account?—A. I cannot state exactly. I believe that was it. Mr. Gregory said to me, 'I have no money.' He said, 'if you have need of money at once'—. I said, 'In business one is always in want of money.' He said, 'I will accept a draft for you less 5 per cent.'

Q. Will you take the personal account of Mr. Gregory and tell me the amount of this personal account—first, before that, on what date did you make the first payment of \$24 to Mr. Gregory?—A. It was the 22nd of June, 1904.

Q. We'll see, if you please, what was the amount of his personal account, due by him at that date?—A. Naturally, I did not pay there.

Q. We shall see?—A. Well, it is difficult to recall, from memory, when one must go back three or four years; when one is in business it is not easy.

Q. I understand that. That is why I ask you to refer to your book. (The witness examines his books and replies)—A. The personal account of Mr. Gregory was \$30.65.

Q. Did he pay it on that date?—A. Yes, sir.

Q. He paid you it on the 22nd of June?—A. Yes, sir.

Q. Did you credit him without receiving the money?—A. No, sir.

Q. You swear that?—A. Yes, sir, I swear that positively; and besides I have the proofs all along the line. The books are there.

Q. At all events on that date Mr. Gregory said: 'If you want money at once I will accept a draft for you, conditioned on your giving me 5 per cent?—A. Yes, sir.

Q. And the total amount of the goods you sold to the Marine Department was paid you in the same way, that is to say, by draft accepted by Mr. Gregory on your giving him 5 per cent?—A. Yes, sir.

Q. Now, the Marine Department was the largest customer you had, was it not? You had no customers to whom you sold for more than \$2,000 a year?—A. Perhaps not the same customer.

Q. You had no customer to whom you sold for \$2,000?—A. No, sir, I am in the retail line.

Q. You charged the department the retail price, on the goods you sold to it?—A. I charged reasonably. When they asked for a bag of salt, on which 25 cents had to be paid for transportation it was not easy to make 2 cents profit.

Q. In a general way, you charged the department the retail price?—A. When it was retail, I charged retail price.

Q. Have you sold at wholesale to the department?—A. No, sir.

Q. You did not consider a sale of \$2,000 a year to the department a transaction at wholesale?—A. If it required 400 trips to fill the orders, it was not wholesale: I admit that I have had reasonable orders but I have also had orders that were not worth filling.

Q. In any case, the prices you charged the Marine Department were retail?—A. No, sir. When it was really retail I had no reason to charge the government less than another customer.

Q. Especially if you paid 5 per cent?—A. I never made the government pay it. If anyone suffered it was I.

Q. For what reason did you pay Mr. Gregory 5 per cent?—A. It was for the purpose of increasing my trade.

Q. It was for the purpose of having as many orders as possible?—A. That is evident. At all events, it is I who paid, and I charged no more on that account to the government.

Q. It did not hurt you, that 5 per cent to Mr. Gregory?—A. It has not hurt me, it is evident.

Q. Before paying that 5 per cent to Mr. Gregory, the business did not go so well as afterwards?—A. It went as well, only the amount of trade was not so large.

Q. The payment of 5 per cent to Mr. Gregory raised the figures of the business? —A. There were years that I had \$600 of orders; and other years \$1,000. There were only a couple of years in which the amount of my orders was that high.

Q. It was then that the 5 per cent went well?—A. There were years in which I had \$600 of orders, not more, even by paying the 5 per cent.

Q. The five per cent was for the purpose of bringing you as many orders as possible?—A. As I said just now, it was with the object of increasing my trade I did that.

Q. How much higher did you charge the government in order to pay 5 per cent commission to Mr. Gregory?—A. I did not charge the government higher. When the orders were reasonable I charged below the retail price.

Q. You have regular customers who do business with your store?—A. Yes, sir.

Q. In comparing the prices you charged the government with the prices you ordinarily charged your regular customers how much per cent have you surcharged the department?—A. Nothing at all. I have not surcharged the department.

Q. I see here you have 400 lbs. of granulated sugar that sold to the department at 5 cents.—A. On what date if you please?

Q. October 18, 1905.—A. See the invoices of my éconfrères on that date; are they lower than mine?

Q. Mr. Martel, I am going to ask you a very direct question. If I had bought 400 pounds of granulated sugar of you at that time would you have charged me \$5 per hundred?—A. I cannot answer.

Q. How much did you charge above the retail price; was it a quarter of a cent or half a cent a pound?—A. I sold at the market price.

Q. How much would you have charged another customer for cash down, for these goods for which you charged the department \$5 per hundred?—A. I should have sold at 5 cents a pound.

Q. You swear that, Mr. Martel?—A. Yes, sir, I swear it.

Q. You swear positively that you would have sold to a private person on October 18, 1905, granulated sugar at 5 cents a pound?—A. It is difficult to answer like that. I would need to have the prices current, the quotations for these goods.

Q. Reply to my question.—A. I am not able.

Q. We will take a more recent sale than that, in 1907, for example—Do you keep a butchery as well?—A. No, sir.

Q. You sell boiled beef?—A. Yes, sir, in tins.

Q. Do you swear, for instance, that on August 6, 1906, if a customer went to buy of you to the extent of over \$200, as the Marine Department did at that time, you would have sold the boiled beef at \$9 the dozen?—A. Yes, sir.

Q. You swear that you would have sold to a person buying of you for \$200 at the prices that you charged on that invoice—would you have sold to a regular customer who bought from you for \$200 on that day, at the same prices that are charged on this invoice?—Look at the prices.

(The witness examines the invoice in question.)

A. These are all the regular prices.

Q. That is not the question. I ask you to swear if a regular customer purchased from you to the extent of \$200 in a single transaction that day, he would have paid the same prices that you charged to the Marine Department?—A. Yes, sir. According to the prices charged there, I see that the sugar was put at \$4.15 the hundred.

Q. I ask you to swear if you would have charged a regular customer who bought of you on that day for \$200 the same prices you charged the department on that date?—A. Yes, sir, the same.

Q. Now, which is the entry in your cash book relative to this payment? Show it to me, if you please. How is it entered?—A. I had one just now, that of June 22.

Q. You had a bank account at that time?—A. Yes, sir.

Q. You had a certain amount of discount at the bank?—A. I did not often want discount.

Q. You could easily have done without that draft that day, if you wished?—A. Probably.

Q. You could have done without others, as well?—A. Yes, sir.

Q. You had no need of those drafts?—A. No, sir.

Q. Only you were convinced that it pushed your trade?—A. I said so, just now. I cannot say the contrary.

Cross-examined by Mr. Choquette, K.C., Counsel for Mr. J. U. Gregory:

Q. You have sworn, I believe, that the 5 per cent discount that you paid to Mr. Gregory in no way influenced you in the prices?—A. Yes, sir. I have sworn it.

Q. You swear that positively: that it did not influence you?—A. Yes, sir. I swear it.

Q. Was it ever agreed and understood between you and Mr. Gregory that you would charge a cent more to the department on that account?—A. No, sir, never. Mr. Gregory always took care I did not charge too high.

Q. Did he sometimes cut some of your prices?—A. Yes, sir, and at times, even without cause.

Q. Is it not true that you preferred to have ready money at once and pay 5 per cent, to waiting for long months to be paid by the government?—A. I might certainly have dispensed with these amounts.

Q. But then, it was a transaction settled at once?—A. Yes, sir, it was a transaction settled at once.

Q. And your impression was that it would assist you in getting orders?—A. Yes, sir.

Q. You are on the patronage list?—A. Yes, sir.

Q. You are a friend of the party in power?—A. Yes, sir.

Q. And in the elections you help the friends of the government?—A. Yes, sir.

Q. It is for that reason you are placed on the patronage list?—A. Yes, sir.

Q. Is it not true that it was your friends, or your member, who had you placed on the patronage list and caused you to receive orders from the government?—A. No, sir, it was not my member.

Q. Who is your member?—A. Mr. Power.

Q. It was Mr. Power who had you placed on the patronage list?—A. No, sir.

Q. Who had you placed on the patronage list?—A. It was Senator Pelletier.

Q. It is Senator Pelletier who had charge of the patronage and had you placed on the patronage list?—A. Yes, sir.

Q. Consequently, you could have had the orders from the government without the intervention of Mr. Gregory?—A. Yes, sir.

Q. You did have them, in fact?—A. Yes, sir.

Q. You have had accounts against the Marine Department?—A. Yes, sir.

Q. You have also sold personally to Mr. Gregory?—A. Yes, sir.

Q. Have you made a difference between the prices you charged Mr. Gregory and the prices you charged the department?—A. No, sir; when the goods were the same, they paid the same prices.

Q. Mr. Gregory personally paid the same prices as those at which you sold to the government?—A. Yes, sir, there was no difference for any one, whether it be Mr. Gregory or any one else.

By Mr. J. L. Perron, K.C.:

Q. Mr. Gregory owes you nothing personally?—A. No, sir, he owes me nothing. And further this deponent sayeth not.

This 10th day of November, 1908, Misael Thibodeau appears before the Honourable W. G. P. CASSELS, Commissioner, to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The Witness is examined by Mr. J. L. PERRON, K.C., one of the counsel assisting the Commissioner.

Q. Mr. Thibodeau, you are a grocer, at Quebec?—A. Yes, sir.

Q. For how many years?—A. For 57 years.

Q. You have been a grocer for 57 years?—A. Yes, sir.

Q. You keep books?—A. Yes, sir.

Q. Have you them with you?—A. It is not I who keep the books.

Q. You have your bookkeeper here?—A. Yes, sir.

Q. I am going to have him enter the witness box before you. What is his name?—A. It is Mr. Ménard, Victor Ménard.

Mr. Perron makes the following statement to the Court: I have to inform the Court that I do not now proceed with the examination of Mr. Samson, as I have this morning received a certificate, signed by Dr. Guérard, to the effect that Mr. Samson was unable to leave his house.

Mr. Victor Ménard enters the witness box and is questioned by Mr. J. L. Perron, K.C.

Q. For how many years have you been bookkeeper with Mr. Thibodeau?—A. It will be two years in the month of December.

Q. You have continued the books kept by your predecessor?—A. Yes, sir.

Q. What are the books you keep?—A. A ledger, a cash book.

Q. You have a journal, evidently?—A. Yes, sir.

Q. Have you the journal with you?—A. I only have the retail.

- Q. Have you your ledger?—A. We have the journal.
Q. Have you your ledger? If so, show it to me if you please.
(The witness exhibits the ledger to the counsel.)
Q. You have a cash book?—A. Yes, sir.
Q. You have your cash book here?—A. Yes, sir.
Q. You have a bank book?—A. I have not, for the year 1907.
Q. You have a bank book for 1904-5?—A. It is not I who had it before. I have not found it.
Q. You have one for the year 1903-4?—A. No, sir, I have not found it.
Q. You have no bank account?—A. We have a bank account. I have the book for this year.
Q. In which bank is your account?—A. At the Banque Nationale.
Q. At the Banque Nationale?—A. Yes, sir.
Q. For several years?—A. Ah, yes, since Mr. Thibodeau has carried on business, I think.
Q. Since Mr. Thibodeau has been in business, he has had his bank account at the Banque Nationale?—A. Yes, sir, I think so.
Q. You have the cheque stubs?—A. Yes, sir.
Q. Have you the cheque stubs here?—A. No, sir.
Q. Why have you not? Your subpoena told you to bring all that. They must be had?—A. I have brought the cheques that I was able to trace for Mr. Gregory alone. All the cheque stubs—it would have made a frightful list to collect.
Q. Show me the cheques relating to Mr. Gregory?—A. They are in the cover of the book there.
(Mr. Perron examines the cheques.)
Q. Very well, I will recall you directly; leave the box.

Mr. MISAEAL THIBODEAU enters the box to continue his deposition. He is questioned by Mr. J. L. PERRON, K.C.

- Q. For about how much have you sold to the Marine Department from 1904 to 1907?—A. I cannot tell you precisely.
Q. You have sold for \$7,000 in round numbers?—A. Yes, sir, near that.
Q. From whom did you receive the orders?—A. I received the orders from Mr. Gregory; yes, sir.
Q. You have known Mr. Gregory for a number of years?—A. Yes, sir, several years.
Q. You know him for several years?—A. Yes, sir.
Q. I suppose you have sold to the Marine Department for some time?—A. For nearly—about that time.
Q. For 25 years?—A. No, sir, for seven or eight years.
Q. For seven or eight years?—A. Yes, sir, eight to ten years.
Q. In what year, then, did you commence selling to the Marine Department?—A. I cannot tell you.
Q. In 1896, 1897?—A. I know that in 1904 we sold to the government. I cannot tell you how long before.
Q. When did you commence paying 5 per cent to Mr. Gregory?—A. I think that I commenced about—
Q. You commenced paying 5 per cent to Mr. Gregory when you commenced selling to the Marine Department?—A. I am not able to affirm that. Only, we have paid Mr. Gregory 5 per cent for some years.
Q. Eight or ten years?—A. Not as long as that.

Mr. CHOQUETTE, K.C., counsel for Mr. J. U. Gregory, addresses the court.—I ask the court, yes or no, if the inquiry should extend to the years before 1904.

Mr. PERRON.—It is to show an established system.

Q. You claim that it was towards 1904 that you commenced to pay 5 per cent to Mr. Gregory?—A. Ah, well, I do not remember.

Q. Who made the arrangements with Mr. Gregory for the 5 per cent?—A. No one made arrangements.

Q. Was it you?—A. No, sir.

Q. Who made the arrangements with Mr. Gregory?—A. I have no knowledge that any one made arrangements. The only arrangement was, when we wanted money the clerk went to Mr. Gregory. He asked if we could have money for the amount of goods furnished to the government—I having large sums to pay—if Mr. Gregory would do us the favour, on our giving him 5 per cent, to pay us the amount due by the government.

Q. What is the name of the clerk?—A. Mr. Gagnon, now deceased. Before him it was Mr. Laperrière.

Q. Is he alive?—A. Yes, sir.

Q. He is still in your employ?—A. No, sir, he does not work for me now.

Q. Where is he at present?—A. He is at La Tuque, with Mr. Tremblay.

Q. Personally, you have never spoken to Mr. Gregory about the 5 per cent?—A. No, sir. It was the clerk who made the arrangements.

Q. How did you come to learn that you could have the money from Mr. Gregory on paying him 5 per cent commission?—A. It is because he went to see him.

Q. Who was it told you that you could have the money less 5 per cent?—A. It was my head clerk told me. I had never heard it stated that Mr. Gregory, if I gave 5 per cent, would give me the money. When I wanted money, I said to the clerk, 'If you think that by allowing, let us say 5 per cent, you could have the money'—

Q. You had never heard it said before that Mr. Gregory advanced the money, less 5 per cent commission?—A. No, sir, never.

Q. How did it happen that all at once you went to offer 5 per cent to Mr. Gregory like that, to have the money?—A. It is because I wanted money. I said to the clerk: 'Mr. Gregory has money; go to him and see—if on allowing 5 per cent we could have the money.'

Q. It is you who fixed the price of 5 per cent?—A. Yes, sir.

Q. It came into your mind to offer 5 per cent?—A. I suppose so. I am not able to say straight on my oath. All I know is that we offered 5 per cent to Mr. Gregory to have the money.

Q. How did it come into your mind, this 5 per cent; was it a revelation made to you by some one?—A. It was my clerk, who said to me: 'I believe that if we allowed Mr. Gregory 5 per cent, we should have the money.'

Q. It was your clerk who said that to you?—A. Yes, sir.

Q. You do not know where your clerk got it, that by allowing 5 per cent to Mr. Gregory he could enable you to have the money?—A. No, sir; I do not know the mind of my clerk.

Q. Now, will you take your ledger?—A. It is my accountant who is familiar with that; I know nothing of my books.

Mr. J. L. PERRON, K.C., addressing Mr. Victor Ménard, accountant, said.—Come Mr. Ménard, and place yourself at Mr. Thibodeau's side, with your books.

Mr. Perron addressing Mr. Thibodeau:

Q. How did you enter this 5 per cent in your books?—A. My clerk can tell you; he has not informed me.

Q. You paid the 5 per cent by means of cheques?—A. No, sir; sometimes— .

By Mr. Perron addressing Mr. Ménard:

Q. Was it by cheque, sir?—A. Yes, sir.

Q. It will be difficult to conduct the examination like this?—A. I know that sometimes we gave money or cheques.

Q. Sometimes you gave money and sometimes cheques?—A. Yes, sir, at times we paid in money, and sometimes by cheques; more frequently in money than in cheques.

Q. You paid more often in money than in cheques?—A. Yes, sir.

Q. Why did you pay more frequently in money than in cheques?—A. So long as he received the amount, I did not see the great difference.

Q. What reason did you have for paying in money rather than by cheques?—So long as I paid in money or in cheques—it was the clerk who arranged that.

Q. Who, the clerk?—A. The clerk in the office.

Q. It was he who arranged that, to pay Mr. Gregory either in money or by cheques?—A. Yes, sir.

Mr. Perron to Mr. Thibodeau:

Q. Have you an account in your book which will truly show the amount you have paid to Mr. Gregory?—A. Ask that of my accountant.

Mr. Perron addressing Mr. Ménard:

Q. Have you an account in your book that truly shows the amount you have paid Mr. Gregory?—A. It is entered in the discount account.

Q. It is entered in the discount account?—A. Yes, sir.

Q. Show me this discount account. Where is your discount book? Or, rather, will you enter the witness box, if you please?

(Mr. Victor Ménard enters the witness box).

Q. You have been bookkeeper for Mr. Thibodeau for how long?—A. For nearly two years.

Q. You are bookkeeper there for nearly two years?—A. Yes, sir.

Q. State precisely the date of your going to Mr. Thibodeau's?—A. The 3rd of December, 1905.

Q. Do you keep a cash book?—A. Yes, sir.

Q. Have you paid commission to Mr. Gregory?—A. Yes, sir.

Q. Show me the entries you made in the cash book when you paid commissions to Mr. Gregory?—A. Precisely my own—I have not got them here.

Q. Why?—A. Because the cash book is not here. I did not bring the book for 1907.

Q. The subpoena asked for all that; it asked you for the years 1904, 1905, 1906 and 1907. Will you have your books here in half an hour, all the books, all the cheque stubs, your cash book, everything?—A. Yes, sir.

(The witness leaves the box.)

Hon. Mr. CASSELS gives the following order, by the stenographer:

'The court draws the attention of the witnesses who are here present to the fact that the subpoena orders them to bring all their books, comprising the bank books, the cheque stubs, the cheques, and in a word all the books. And in future the witnesses must obey this order.'

(Mr. VICTOR MÉNARD re-enters the witness box to continue his evidence.).

By Mr. Perron, K.C.

Q. Show me the first entry you made when you paid commissions to Mr. Gregory. How did you make the entry?

(Mr. Perron examines the books.)

Q. How much did you yourself pay, since you were there, to Mr. Gregory?—A. I am unable to tell you.

Q. Have you any entries in the ledger showing that?—A. I paid 5 per cent to Mr. Gregory.

Q. You paid 5 per cent to Mr. Gregory on the amount of goods you sold to the Marine Department?—A. Yes, sir.

(The witness examines his books.)

Q. What is the first entry that you have found in your books; at what date?—A. The 1st of June, 1907.

Q. The 1st of June, 1907?—A. Yes, sir.

Q. It is the first commission that you paid Mr. Gregory yourself?—A. Yes, sir.

Q. Have you the cheque stub for that payment?—A. I paid in cash.

Q. Have you paid by cheques as well?—A. Sometimes.

Q. Have you the cheque stubs? Show me the cheque stub for a payment. What was the entry on the cheque stub, do you remember?—A. ‘Discount, J. U. G.’

Q. ‘Discount, J. U. G.’ That is what you had?—A. I believe so.

Q. Are you certain of it?—A. I do not remember.

Q. Why not place the name of Mr. Gregory on the stub?—A. I think that I wrote it, I believe it.

Q. I see certain cheques were payable to his order and some to bearer?—A. It was not I who did that.

Q. You make them payable to the bearer, you?—A. I believe not.

Q. You make them to order?—A. I believe so.

Q. Now, all the cheques of which I am going to give you a list were payable to Mr. Gregory, namely: a cheque dated 3rd March, 1905, for \$11.30; another, the 17th May, 1905, \$36; 19th June, 1905, \$16.65; 20th July, 1905, \$25; 30th August, 1905, \$18.40; 18th August, 1905, \$20.90; 5th October, 1905, \$9.15; 9th October, 1905, \$11.40; 21st December, 1905, \$5.65; 11th January, 1906, \$7.15; 26th February, 1906, \$5.20; 23rd March, 1906, \$5.25; 10th May, 1906, \$49.67; 1st June, 1906, \$12.50; 13th June, 1906, \$37.30; 4th July, 1906, \$6.80; 19th September, 1906, \$19.88. All these cheques were payable to Mr. Gregory?—A. Yes, sir.

Q. Then, the stub of cheque No. 5850, 2nd August, 1906, \$17.92?—A. Yes, sir.

Q. Now you say these cheques are not complete; that there are also sums besides these paid to Mr. Gregory, but you are not able to find the other cheques?—A. No, sir.

Q. Will you produce these cheques as Exhibit No. 160?—A. Yes, sir.

Q. At all events, it is 5 per cent that you paid to Mr. Gregory on the amount of sales you made to the Marine Department?—A. Yes, sir.

Q. And this amount reaches in the neighbourhood of about \$7,000?—A. Yes, sir.

Q. And you paid 5 per cent on the total?—A. Yes, sir.

Q. How did you learn that you paid 5 per cent commission to Mr. Gregory?—A. I believe it was Mr. Thibodeau that told me.

Q. Under what circumstances?—A. When we were short of money, he said ‘Go and find Mr. Gregory; we deduct 5 per cent and can have the money.’

Q. You signed a power of attorney to Mr. Gregory for your employer?—A. Yes, sir, I had authority.

Q. You took your accounts to Mr. Gregory, I suppose?—A. Yes, sir.

Q. He had your power of attorney to endorse the cheques?—A. No, sir.

Q. Did the cheques come to your order; to whose order did the cheques of the department come?—A. I do not know.

Q. Have you ever received a cheque from the department, yourselves?—A. Not to my knowledge.

Q. Who received these cheques?—A. I do not know.

Q. Was it Mr. Gregory himself who received the cheques?—A. I do not know.

Q. Once you received the drafts from Mr. Gregory, you did not trouble yourself further?—A. No, sir.

Q. Have you your bank book?—A. Yes, sir.

Q. Now, to whom did you pay commissions besides?—A. To no one else.

Q. Who received 5 per cent commission apart from Mr. Gregory?—A. No one else.

Q. Any employee of the department?—A. No, sir, none.

Q. No captains, no one else?—A. No, sir.

Q. You have a personal account against Mr. Gregory?—A. Yes, sir.

Q. Show me that account, his personal account.

(The witness shows the counsel the account asked for.)

Q. Did you receive all these sums from Mr. Gregory that are entered here in the cash book?—A. Yes, sir.

Q. Now what difference was there between the prices you charged Mr. Gregory for the goods sold to him and the prices you charged the department for the same goods?—A. It is the same price.

Q. You swear that?—A. Yes, sir.

Q. You swear that all the prices you charged the Marine Department were the same as you charged Mr. Gregory for the same goods?—A. About the same.

Q. What difference was there: five or ten per cent; between the prices you charged to regular customers and the prices you charged Mr. Gregory?—A. It is the same thing.

Q. What difference is there between the prices charged to your customers and those you charged the Marine Department?—A. The same prices.

Q. You swear that you did not sell to the Marine Department at more than two, three or four per cent above the ordinary prices, the retail prices?—A. No, sir.

Q. It never happened?—A. No, sir.

Q. You are positive of that?—A. Yes, sir.

Q. The payment of 5 per cent to Mr. Gregory did not injure you?—A. It was because we were in want of money.

Q. You swear that was the only reason you gave 5 per cent to Mr. Gregory?—A. Yes, sir.

Q. It was not to help you to obtain orders?—A. No, sir.

Q. You swear that positively, that it was simply to get money?—A. Yes, sir.

Q. You were not able to get money at the bank?—A. They would not have given it.

Q. Have you ever tried?—A. No, sir.

Q. Have you asked discount at the bank?—A. They only discounted the notes of customers.

Q. And you discounted the drafts of Mr. Gregory as well?—A. Yes, sir.

Cross-examined by Mr. Choquette, K.C., counsel for Mr. J. U. Gregory:

Q. Mr. Ménard, it is you who transacted all the financial business of Mr. Thibodeau since you have been there?—A. Yes, sir.

Q. Is it not a fact that Mr. Thibodeau has had financial difficulties?—A. That he failed? Yes, sir.

Q. And that he would not have been able for a very long time after he failed to get money from the banks without endorsers or giving collateral securities?—A. I believe not.

Q. Is it not a fact that Mr. Gregory had advanced him moneys in that way and had paid him accounts, such accounts as were rendered?—A. Yes, sir.

Q. And in that way performed a service to Mr. Thibodeau?—A. Yes, sir.

Q. There was never any question of your charging a cent more to the government to reimburse the 5 per cent?—A. No, sir.

Q. And as a matter of fact you never charged the government more on that score?—A. No, sir.

And further this deponent sayeth not.

MISAËL THIBODEAU enters the witness box to continue his evidence.

By Mr. Perron:

Q. You were not the tenant of Mr. Gregory?—A. No, sir.

Q. You were not his tenant; you did not live in one of his houses?—A. No, sir, the property is mine.

Q. Do you swear that you lost the 5 per cent you paid to Mr. Gregory on all the sales you made to the government?—A. Yes, sir.

Q. You lost all the 5 per cent?—A. Yes, sir, all.

Q. That is to say you made 5 per cent less profit on selling to the government than in selling to an individual?—A. No, sir, I did not lose 5 per cent. I say that the 5 per cent I gave to Mr. Gregory was to recompense him for the orders I took from the government.

Q. I ask you if you made 5 per cent less profit when you sold to the government than in selling to an individual?—A. Certainly I made less profit.

Q. You must have made less profit, since you paid 5 per cent.—A. Yes, sir, what I paid Mr. Gregory. I lost that profit.

Q. Consequently when you sold to an individual you made more profit than with the government?—A. No, sir.

Q. You paid 5 per cent to a private person as well?—A. I sold to the government an amount that paid a little better than to an individual.

Q. Why?—A. Because I considered that the government was not a merchant, and that the government bought goods to feed and serve its people.

Q. Like an individual, to feed his people also.—A. Yes, sir.

Q. Then you charged the government a little more in consequence?—A. Certainly.

Q. So you lost nothing?—A. I lost nothing, I did not make it in order to—

Cross examined by Mr. Choquette, K.C., Counsel for Mr. J. U. Gregory:

Q. Suppose you had an account against a private person for an amount of \$100 for goods you sold him, and that the next day he offered to pay on your allowing \$5, would you have accepted?—A. Yes, sir, certainly I would have accepted.

And further this deponent sayeth not.

This eleventh day of November, 1908, J. ALFRED BLOUIN, accountant, of the city of Quebec, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. PERRON, K.C., one of the counsel assisting the Commissioner.

Q. You are the accountant with Edmond Bélanger & Co.?—A. Yes, sir.

Q. Will you speak louder, if you please. You are the accountant of the firm of Edmond Bélanger & Co.?—A. Yes, sir.

Q. For how many years?—A. More than twelve years.

Q. For more than twelve years?—A. Yes, sir.

Q. What kind of business does the firm of Edmond Bélanger & Co. carry on at Quebec?—A. Dry goods and furs.

Q. Since 1904 you have done considerable business with the Marine Department?—A. Yes, sir.

Q. About \$9,500?—A. Yes, sir.

Q. You have brought all your books with you?—A. Yes, sir.

Q. What books have you?—A. My cash book, my journal, my ledger leaves and the ledger.

Q. You have had transaction with Mr. Gregory?—A. Yes, sir.

Q. How much have you paid Mr. Gregory up to this time on the transactions you have had with him?—A. We have had transactions with Mr. Gregory; we have had drafts from him. On the drafts we have paid nothing direct. On the account of Mr. Gregory I have given a discount.

Q. We will take your system. You have given a discount to Mr. Gregory on the amount of each account you sent to the Marine Department?—A. Pardon me, we drew on Mr. Gregory. He accepted the draft for the amount of the invoice. When the cheque arrived he cashed the cheque and forwarded us the entire amount. He had accounts with us. Mr. Gregory bought from us.

Q. Mr. Gregory bought at your house?—A. Yes, sir.

Q. And then?—A. And then, he sometimes had—. We have given discounts to Mr. Gregory on his account.

Q. Large discounts?—A. Not very large.

Q. Show that to me, if you please?

(The witness shows the counsel certain ledger leaves.)

Q. Will you produce these ledger leaves as Exhibit No. 173?—A. Yes, sir. Here, as you see, for a sum of \$115 that he owed us; we have given him \$15.59 discount.

Q. Let us take the dates, if you please?—A. I see by my ledger that on December 6, 1904, Mr. Gregory owed us \$115.59; we gave him a discount of \$15.59.

Q. You gave Mr. Gregory a discount of \$15.59 on an account of \$115.59 that he owed to the house of Bélanger?—A. Yes, sir.

Q. Then continue?—A. The 17th April, 1905, we gave him a discount of \$26.14.

Q. On how much?—A. On \$76.

Q. Then?—A. The 15th December, 1905, on \$120.64 we gave him \$4.67 discount.

Q. Then?—A. Then in 1906, the 7th of December, on \$78.33 we gave him \$6.33 discount.

Q. Then?—A. One minute, if you please.

Q. Then, continue?—A. One minute, if you please. I would ascertain, here—the 21st of June, 1907, we gave him—. There are three items of an account of Mr. Gregory that we passed as discount.

Q. There were three items struck off Mr. Gregory's account to take the place of discount?—A. Yes, sir.

Q. What was the amount of his account at that time?—A. It was \$73.90.

Q. And you took off \$30 and something?—A. Yes, sir, \$30.75.

Q. For what reason did you take off this discount for Mr. Gregory on each of his accounts?—A. Mr. Gregory had given us drafts; he had never asked for cash.

Q. And besides he was Marine agent at Quebec?—A. Yes, sir.

Q. He caused you to receive considerable orders?—A. I believe the orders came from Ottawa.

Q. It did not damage you to have these orders?—A. I think not.

Q. You were convinced that giving him discounts would aid you in having orders?—A. I do not know that I can say that.

Q. You have no doubt, have you?—A. Because of the amounts he paid us, he paid one lately, in the month of August, this year, and we gave him discount.

Q. Was it he who asked you for that discount?—A. Yes, sir.

Q. Mr. Gregory still owes you?—A. He owes us \$1.72.

Q. Was it he who asked you for these discounts?—A. Yes, sir.

Q. It was he who asked that?—A. Yes, sir.

Q. Did he say 'give me 5 per cent'?—A. He said: 'You can take off \$5, \$10.' We took it off.

Q. You took it off?—A. Yes, sir.

Q. If I had bought of you and asked you to take off \$5 or \$10 from my account you would not have done so?—A. There are some to whom we give \$5.

Q. Acquaintances?—A. Merchants who buy for their families.

Q. I am speaking to you of an ordinary customer?—A. We allow discount to those who pay in 30 days.

Q. Mr. Gregory's payments were not in 30 days?—A. I would rather, in reply, refer to my books, in order not to answer at random.

Q. There is no need to look; you know it was not in 30 days that Mr. Gregory paid his accounts?—A. No, sir.

Q. Is it not the fact that the discounts allowed to Mr. Gregory were not given because he paid in 30 days but really because purely and simply you sold to the Marine Department?—A. There was no question of that.

Q. That is what I ask you.—A. Frankly, I am not able to reply to the question.

Q. Why not?—A. There was never any question of that.

Q. I do not ask if it was a question between Mr. Gregory and you, as to whether you would give him a discount, but I ask you if it is not a fact that the discounts you allowed Mr. Gregory were made because he was marine agent at Quebec.—A. That might well be.

Q. Is it a fact?—A. I might say yes, and no.

Q. You are on oath.—A. It is because I am on oath I would answer you correctly.

Q. Mr. Gregory asked for discount because he was marine agent at Quebec, did he not?—A. I cannot say whether I thought at the time it was because he was employed by the Marine Department. That might well be; I do not recollect. It did not occur to me whether we allowed the discount because he was employed by the Marine Department. In any case we allowed him a discount this summer on an account that he owed us and then he was no longer employed.

Q. How much did the discounts you allow Mr. Gregory come to, about, during these three years?—A. They came to about \$100.

Q. They came to above \$100?—A. Yes, sir.

Q. Now, have you given cheques to Mr. Gregory?—A. No, sir.

Q. Never a cheque?—A. Never a cheque.

Q. Might not Mr. Bélanger have done so?—A. I am certain that Mr. Bélanger did not.

Q. Is he the only member of the house of Bélanger & Co.?—A. Yes, sir. It is the accountant who usually transacts all the business.

Q. Is the house of Bélanger a wholesale or retail one?—A. Retail.

Q. You sold to the department at retail price?—A. Yes, sir.

Q. You have no customers like the government?—A. No, sir.

Q. You charged the retail price and how much more?—A. We charged the retail price.

Q. Is it not a fact that you charge more than the retail price?—A. We charge the retail price.

Q. And a little more?—A. No, sir, if anything perhaps a little less. I never heard anything said of overcharging the government at the time.

Q. Only you have charged the department what you would have charged the first individual who bought of you for \$5?—A. That may be.

Q. If a merchant had bought as extensively as the department did, how much discount would you have allowed him if he paid in 30 days?—A. If he had paid at three months, he would have had no discount at all.

Q. Here is an account for \$373.75, a single sale of sheets by the dozen for the steamer *Champlain*. You charged the full retail price?—A. Yes, sir.

Q. Do you swear if an individual went to you and bought for that amount you would not have reduced the account by 15 per cent?—A. I think not.

Q. Do you swear that you would not?—A. I would prefer to see the proprietor first. It is not I who fixed the prices. There was never a question of surcharging the government.

Q. I do not say that. Only you charged the full retail price?—A. It may be that we charged less than the retail price in certain cases.

Q. Do you believe that?—A. Yes, sir.

Q. Mention one article, if you can—you have an account here of \$1,574.08,—a single purchase made by the department. Which price did you charge?—A. The retail price. That was by contract after the tenders were asked for.

Q. After tenders had been asked?—A. Tenders or no tenders, I cannot say, exactly, in detail.

Q. At all events you admit that you charged the full retail price??—A. Yes, sir.

Q. Without taking into consideration the fact that the Marine Department was a large buyer from your house?—A. No, sir.

Q. Now, I see that a certain number of your accounts were certified by Mr. O'Farrell?—A. Yes, sir.

Q. Did Mr. O'Farrell buy of you?—A. He had bought; but it was for cash.

Q. Did you not pay a commission to Mr. O'Farrell for certifying your accounts?—A. No, sir.

Q. You never gave him a cent?—A. Never.

Q. You never gave a cent either to any other person for certifying your accounts?—A. No, sir.

Q. The captains?—A. No, sir. The orders came from Ottawa.

Q. Have you paid anything to Mr. S. Bélanger?—A. No, sir.

Q. Has Mr. S. Bélanger an account in your books?—A. No, sir.

Q. Has he bought of you?—A. He has bought.

Q. You have never allowed him discount?—A. No, sir.

Q. Have you allowed discount to Captain Koenig?—A. No, sir, never. He may have bought for cash, but not on credit.

Q. He has bought for cash, but not on credit?—A. Yes, sir.

Q. Then you swear that all those who certified your accounts such as the captains and others had no accounts with you; or, if they had accounts, you allowed them no discount?—A. I have given nothing to anyone whatever beyond what I have just stated in regard to Mr. Gregory.

Q. There are none besides Mr. Gregory?—A. No, sir.

Cross examined by Mr. Choquette, Counsel for Mr. J. U. Gregory.

Q. Do you know whether Mr. Bélanger is on the patronage-list?—A. Yes, sir.

Q. He is a friend of the party in power?—A. Yes, sir.

Q. Now you say you have given about one hundred dollars discount to Mr. Gregory in three years on the various accounts for goods he purchased from you?—A. Yes, sir.

Q. You have stated that this summer Mr. Gregory, paid you an account—in the course of the summer since he was suspended as agent of the Marine Department?—A. Yes, sir.

Q. Did you give him a discount on the account he paid you this summer?—A. Yes, sir.

Q. Will you look at these different drafts to the amount of \$2,446 and state whether Mr. Gregory ever charged you a cent for having lent you his name, and to enable you to have money at the bank?—A. How do you say.

Q. I ask you if Mr. Gregory charged you any interest or discount for accepting these different drafts, amounting to \$2,446? You said, just now, I believe, that he had charged nothing? (The witness examines the drafts and replies):—A. He did not charge a cent on this one, namely on the draft dated 17th April, 1905, amounting to \$515.07.

By Mr. J. L. Perron, K.C.:

Q. He charged nothing on that one?—A. No, sir, I do not see that he charged.

By Mr. Choquette, K.C.:

Q. Will you take note of a letter dated the 21st June, 1907, addressed by Edmund Bélanger & Co., and signed by Edmund Bélanger, sent to Mr. Gregory asking him for money and say if it is the writing of Mr. Bélanger?

(The witness examines the letter and replies.)

(It is the signature of Mr. Bélanger.)

(The letter is produced as Exhibit No. 174.)

Q. Consequently Mr. Bélanger has received favours from Mr. Gregory, has had Mr. Gregory's name to help him in financing in the ordinary course of his business?—A. Yes, sir.

(The drafts are produced as Exhibit No. 175.)

Q. In the personal account of Mr. Gregory was also included the account of the people of his house, his housekeeper?—A. Yes, sir. There was Madame Coulet's account.

Q. Now, you took the discount off that account, like the others?—A. The same thing.

Re-examined by Mr. J. L. Perron, K.C.:

Q. Who signed this letter—Mr. Bélanger himself?—A. Yes, sir.

Q. Under what circumstances?—A. I know that he wanted money.

Q. Do you know the circumstances connected with the signature of this letter?—A. I had no knowledge of them when the letter was signed.

Q. You will tell Mr. Bélanger to come here this afternoon?—A. Yes, sir.

And further this deponent sayeth not.

This eleventh day of November, 1908, JEAN BAPTISTE CÔTÉ, tinsmith-plumber, of the city of Quebec, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. What is your occupation?—A. I am a tinsmith-plumber.

Q. How many years have you been in business in Quebec?—A. Thirteen years.

Q. You have been in business in Quebec for thirteen years?—A. Yes, sir.

Q. You have done business with the Department of Marine and Fisheries of late years, since 1904?—A. Yes, sir, for ten years.

Q. What work did you generally do for the department?—A. Plumbing and tinsmithing.

Q. For vessels?—A. Yes, sir, for vessels and the lights.

Q. From 1904 to 1907 you had accounts with the Marine Department for about \$23,000, in round figures?—A. Yes, sir, about that.

Q. Was this work done by tender?—A. A certain portion.

Q. What portion?—A. In tinsmithing, the prices were fixed before I began there.

Q. Do you know if public tenders were called for on this work?—A. I do not know that.

Q. You never heard it spoken of?—A. They told me that, but I do not know it.

Q. Now, with which employees of the Marine Department had you to do with?—

A. I had business with different employees.

Q. Did you have business with Mr. Gregory?—A. Yes, sir.

Q. With Mr. O'Farrell, Inspector of Lights?—A. Yes, sir.

Q. With Captain Koenig?—A. Yes, sir, sometimes.

Q. With Mr. Fontaine, engineer of the *Montcalm*?—A. Yes, sir.

Q. With Captain Bélanger?—A. Yes, sir.

Q. Mr. Bélanger was captain of the *Montcalm*?—A. Yes, sir.

Q. And with Mr. Pettit, who came here temporarily as engineer of the *Montcalm*?—A. Yes, sir.

Q. Had you business with other employees of the department?—A. Yes, sir, with Mr. Germain Bélanger. I did work for him.

Q. Any others?—A. I do not remember any.

Q. The various employees you mention had to certify your accounts?—A. Yes, sir.

Q. They had to receive your work and certify your accounts?—A. Yes, sir.

Q. Here I notice a large number of your accounts that were certified by Mr. O'Farrell?—A. Yes, sir.

Q. The majority of your accounts were certified by Mr. O'Farrell?—A. He is one of the good ones, Mr. O'Farrell.

Q. As well as by Mr. Gregory?—A. Yes, sir.

Q. I see here that your accounts were certified by Mr. S. Bélanger. Was he the captain of the *Montcalm*?—A. Yes, sir.

Q. I also see some that were certified by Captain Koenig?—A. Yes, sir.

Q. The accounts were rather numerous?—A. Yes, sir, there are more than one.

Q. Did you have trouble in getting your accounts certified?—A. No, sir. I think my prices were sufficiently regular. They passed without difficulty.

Q. Did you ever find it tedious work with the officers mentioned to get your accounts certified?—A. They might perhaps at times find them too high, but I did not reduce them.

Q. They did not reduce them either?—A. It was not their business to do so if I would not.

Q. Now, how did you manage with these officers; were you on good terms with them?—A. I was not on bad terms.

Q. How much did you pay to Mr. O'Farrell?—A. I do not remember.

Q. About? Will you speak a little louder, if you please?—A. I say that I do not remember. I have no note of it.

Q. You have a book, have you not?—A. Yes, sir.

Q. You only keep one book?—A. Yes, sir.

Q. You did not enter on your books the payments you made to the various employees of the Marine?—A. No, sir, never.

Q. They did not form part of your disbursements?—A. I paid the least possible, because I am not a paymaster.

Q. You paid the least possible, you say?—A. Yes, sir.

Q. You paid enough, at any rate, not to be willing to remember what you did not enter in your books?—A. I cannot tell you—

Q. What was your reason for not making the entries in your books?—A. I had so much trouble in entering what I was obliged to, I did not think of that.

Q. About how much did you give to Mr. O'Farrell?—A. I am not able to tell you.

Q. Did you give him \$500, \$200?—A. No, sir, not so much as that. I gave him about \$100.

Q. When did you give him those \$100?—A. At different times.

Q. You gave him at different times \$100?—A. Yes, sir.

Q. When did you make the last payment?—A. More than a year ago.

Q. It was more than a year ago when you made the last payment?—A. Yes, sir.

Q. How much was that payment?—A. It was never more than \$10.

Q. You gave it to him by \$10 at a time?—A. Yes, sir.

Q. Then there were, say, ten of such payments made, in sums of \$10. Was it in that way?—A. Yes, sir.

Q. Where did you give him that?—A. I gave him that—

Q. At your house, at his house, at his office or on the street?—A. At home, on the street; it does not matter how.

Q. State how these payments were made. Tell the court how you came to give him \$10 like that, up to the sum of \$100?—A. I gave it to him as to another to whom one gives something; to be on good terms with him.

Q. Will you speak a little louder, if you please?—A. I gave it him to have—

Q. To be on good terms, to remain on a good footing with him?—A. Of course, it was to get something.

Q. Get what?—A. To get work, as elsewhere.

Q. You considered these payments of \$10 from time to time were calculated to bring you work and keep on a good footing with him; do you believe it was for that?—A. Yes, sir.

Q. A little grease to run the machine?—A. Yes, sir, it did no harm.

Q. Now, were they cheques that you gave?—A. No, sir, it was cash.

Q. You gave him money from hand to hand?—A. Yes, sir.

Q. You did not enter it in your books, as you considered it was not correct?—A. I found it was not necessary.

Q. And moreover you considered that it was not correct?—A. One ought to be able to give money to whom one wills.

Q. Did you consider it was just, that it was right, to pay money to Mr. O'Farrell to give you orders?—A. I did not find anything wrong in it.

Q. Did you tell Mr. Gregory or other employees of the Marine Department that you gave money like that to Mr. O'Farrell?—A. No, sir, I never spoke of it.

Q. Why did you not? Did you not boast of it?—A. There was no talk of it with any one.

Q. You knew that Mr. O'Farrell certified your accounts; and you had no doubt that by giving him a few dollars the accounts would go better?—A. It was not with that intention, I believe. When there was anything amiss with the accounts he told me.

Q. Is it not a fact that you were satisfied a little \$10 from time to time would assist the settlement?—A. It would make it smoother.

Q. A little \$10 to help it go easier?—A. Yes, sir.

Q. Now Captain Koenig. How much money did you give him?—A. About \$140.

Q. You gave him \$140?—A. Yes, sir.

Q. In a single payment?—A. In two payments.

Q. In two payments?—A. Yes, sir.

Q. Are these payments entered in the books?—A. No, sir.

Q. When was the last payment made?—A. Three or four years ago.

Q. It was about three or four years ago when the last payment was made?—A. Yes, sir.

Q. When was the first payment made?—A. Some time before.

Q. On what occasion?—A. I am unable to tell you.

Q. I suppose you gave him \$70 each time?—A. I gave him \$100 all at once.

Q. What was there out of the common at the time of the lump sum of one hundred; what was going wrong at the time of the \$100 lump sum?—A. I do not know. I do not remember.

Q. Try to think of it a little; what took place to cause you to give him \$100 all at once?—A. I do not know what occasion I had to give him \$100 all at once.

Q. You do not remember what occasion you had to give \$100 in one sum to Captain Koenig?—A. No, sir.

Q. Had you done work for the department on board his vessel?—A. Yes, sir.

Q. What work had you done?—A. It was on board the *Montcalm*.

Q. It was on board the *Montcalm* that you did that work?—A. Yes, sir.

Q. Was it a large account that you had?—A. \$4,000.

Q. You had an account of \$4,000 for work that you did on board the *Montcalm*?—A. Yes, sir.

Q. How did you come to give him \$100? Recount the history of those \$100; it will be the sooner over; tell the court how it occurred?—A. I had the work, he had signed the accounts, I was paid for it and I gave him the \$100 to recompense him.

Q. You gave him \$100 to recompense him for having certified your accounts?—A. It was not with that design. It was not for that he signed my accounts. I was paid; the accounts were signed; at the time he did not know I was going to give him the money. I was paid those accounts and gave I him \$100.

Q. What did you say to him when you gave him \$100?—A. At that time one did not say much.

Q. One did not say much at that time?—A. No, sir.

Q. You had a little conversation, at all events, with him?—A. Not on that affair.

Q. Did you go to him and give him \$100 without saying anything to him?—A. About that?

Q. You said nothing to him, not a word?—A. I think so.

Q. You said to him 'Good day, good day,' on arriving, 'Here is \$100'; was that it? 'Say nothing and I will say nothing;' was that it?—A. It might have been so.

Q. It was so, was it not?—A. I think it was something like that.

Q. He took the \$100; he put it in his pocket, I suppose?—A. Yes, sir.

Q. He thanked you?—A. As is usual.

Q. Well, let us come to the \$40. Now, when did you give him the \$40, the balance of the \$140?—A. It was on a like occasion, I suppose; for another account, I suppose.

Q. Still on board the *Montcalm*?—A. Yes, sir.

Q. Do you remember the amount of your account for the work you had done when you paid Captain Koenig the \$40?—A. I do not remember.

Q. You do not remember?—A. No, sir.

Q. Was it an account for a couple of thousand dollars; fifteen hundred dollars?—A. I do not think it was as much as that.

Q. It would have been as much as that?—A. I think not.

Q. Did you pay this \$40 after Captain Koenig certified your account or before?—A. If I remember aright, it was before the *Montcalm* was here.

Q. For what then was this \$40?—A. I think it was lent. The captain wanted money to leave for the purpose of joining the *Montcalm*, and I lent him \$40.

Q. Will you?—We will try to retrace that. Captain Koenig went to you one fine day. He said: 'I am going to Europe for the *Montcalm*. It is a big vessel; there will be a good deal of repairs to do.' Was that it?—A. I suppose so.

Q. And he went on to say, 'Won't you lend me \$40? I am going over to the other side.' You lent him \$40 and he has never repaid it?—A. No, sir.

Q. When the *Montcalm* arrived and there were 'jobs' to be done, you had them?—A. Yes, sir.

Q. Now, as to Mr. Fontaine; how much have you given him?—A. \$250.

Q. You have given him \$250?—A. Yes, sir.

Q. Mr. Fontaine, is the chief engineer of the *Montcalm*?—A. Yes, sir.

Q. Did you give him that sum in a single payment?—A. It was not in money, that I gave it to him.

Q. It was not in money?—A. No, sir.

Q. What was it he had?—A. I did work for Mr. Fontaine and gave him receipts for certain amounts.

Q. You gave him receipts without receiving the money?—A. Yes, sir.

Q. What work did you do for him?—A. Plumbing; for the heating.

Q. Where was that?—A. At Lévis.

Q. He has a house of his own at Lévis?—A. He had one at that time.

Q. How was this settlement of \$250 for work you did in his house at Lévis, arrived at?—A. It was arrived at like the rest.

Q. It was arrived at like the rest?—A. Yes, sir.

Q. When did you do that work; before the *Montcalm* arrived, or after?—A. After.

Q. After the *Montcalm* arrived?—A. Yes, sir.

Q. When you did that work at Lévis, in Mr. Fontaine's house, had Mr. Fontaine certified the accounts?—A. Yes, sir.

Q. He had certified the accounts?—A. Yes, sir.

Q. Were there others still to be certified for you?—A. I am unable to tell you.

Q. He asked you to go and do some work for him in his house at Lévis?—A. Yes, sir.

Q. Did he ask you the price?—A. He asked me about how much it was going to cost.

Q. He asked you about how much it was going to cost?—A. Yes, sir.

Q. You said that it would cost so much?—A. No, sir.

Q. What is it that you said?—A. I said that it would cost about \$450.

Q. And then, what passed next?—A. I did the work and I gave him the accounts, like that.

Q. You did the work, and it amounted to \$250?—A. It amounted to \$450.

Q. What did he pay on account of that?—A. He paid me \$250.

Q. You gave him the balance; you gave him a quittance for the balance?—A.

Ah, no.

Q. Well, show it to me in your book there.

(The witness exhibits his account book to the counsel).

Q. As you have already said, this is the only book that you have?—A. Yes, sir.
(The book is produced as Exhibit No. 172).

Q. There remains a balance due of \$245?—A. Yes, sir.

Q. Have you given him that?—A. No, sir. It is marked 'given.' He will pay me, I suppose.

Q. Has there been a question of that balance, between you and Mr. Fontaine?—
A. He knows he owes it to me. I have already spoken to him once about it.

Q. What did he say?—A. He said that he would pay me.

Q. What did you say to him?—A. I told him he must pay me.

Q. You have never pressed for the payment of that balance, and if there had never been an enquiry you would never have made him pay it?—A. I am not prepared to say that.

Q. Frankly, is it really your intention to make him pay it?—A. It is too much; if it was \$150 I do not say.

Q. As to \$150, you are ready to give up that, but more than that, you do not care to? (The witness does not reply).

Q. You would have reduced your account to \$150; then you would have given him a receipt for the balance?—A. I cannot say that.

Q. You would not have forced that man to pay if you continued to do the work for the *Montcalm* and had need of his signature?—A. It is not for that he signed the accounts.

Q. The other is Captain Bélanger. How much have you given to him? What is Captain Bélanger's first name?—A. Sigismond Bélanger.

Q. How much have you given to him?—A. One hundred dollars.

Q. At one time, or in different amounts?—A. Two or three times.

Q. Two or three times?—A. Yes, sir.

Q. What was the last payment made to him?—A. It was long since.

Q. How many years?—A. A year, I suppose.

Q. It is a year since you made him the last payment?—A. Yes, sir.

Q. How much was that payment?—A. I gave him \$25.

Q. You gave him \$25?—A. Yes, sir.

Q. And the other payments were about the same amount?—A. Yes, sir.

Q. Then according to you, you made him four or five payments of \$25 each?—A. About that. I cannot say precisely.

Q. It was not less than \$100 at all events, that you gave him?—A. Yes, sir, about that.

Q. How did you come to make those payments?—A. It was not I who was at first accustomed to work for that captain.

Q. It was not you who was accustomed to work for that captain?—A. No, sir.

Q. Who worked for him; Mr. F. X. Drolet?—A. No, sir, other plumbers.

Q. Then, when you received orders from him, you thought it would be well, if there were means of recompensing him, to do so?—A. I suppose so.

Q. You considered you were a fortunate man from the fact that he took you to do his work instead of others?—A. Of course I found myself in luck.

Q. And you gave him \$25 from hand to hand?—A. Yes, sir.

Q. What did you say to him when you gave him that?—A. He understood that, all right.

Q. He understood that, all right; there was no need of speaking?—A. No, sir.

Q. Then the moment you arrived with money to give these employees you had no need to say anything; it was understood in advance; was that it?—A. Yes, sir.

Q. The other payment of \$25; under what circumstances did you give him that?—A. I told you that I gave him money, three or four times—four or five; I do not remember any other occasions.

Q. The other occasions? Let us take them together?—A. It was for different accounts.

Q. He employed you on board the vessel at different times, and you gave him various amounts like that?—A. Yes, sir.

Q. Always to recompense him, because you worked there?—A. For the same story.

Q. For the same story, to try to get more work?—A. Yes, sir.

Q. Now, let us pass to the other gentlemen, Mr. Pettitt. It was he who came with the *Montcalm* from Scotland, to show the engineers here what to do?—A. Yes, sir.

Q. How much did you give Mr. Pettitt?—A. If I remember aright, it was \$75.

Q. He also had found work for you?—A. Yes, sir.

Q. Did you say anything to him when you gave him that?—A. No, sir.

Q. He understood it; he was not surprised?—A. He also was used to it, I suppose.

Q. He also was accustomed to it?—A. Yes, sir.

Q. Now, how much did you give to Narcisse Dufour?—A. Never a cent.

Q. To Nolet?—A. No, sir.

Q. To Ouellette?—A. No, sir.

Q. To Leblanc?—A. I do not know him.

Q. To Paul Bolduc?—A. No, sir.

Q. J. Van Koenig?—A. No, sir.

Q. To Joseph Lemieux?—A. No, sir.

Q. T G. Bélanger?—A. No, sir.

Q. To E. Filteau?—A. No, sir.

Q. A. Tasker?—A. No, sir.

Q. To Louis Gagné?—A. No, sir.

Q. To Arthur Samson?—A. No, sir.

Q. To Leitch?—A. No, sir.

Q. To Joseph Ferguson?—A. No, sir.

Q. To A. T. Thériault?—A. No, sir.

Q. To Schmidt?—A. No, sir.

Q. To Beauchemin?—A. No, sir.

Q. To Joseph Bélanger?—A. No, sir.

Q. To Richard?—A. No, sir.

Q. To Captain McGaugh?—A. No, sir.

Q. To Eugène Bélanger?—A. I do not know him.

Q. Now, on the oath you have taken, are the persons I have mentioned the only ones to whom you have given anything?—A. Yes, sir, there are no others.

Q. There are no others for whom you have done work for nothing?—A. Absolutely for nothing, no, sir. For Mr. Gregory I have done some small affairs of the kind, but never money.

Q. For Mr. Gregory you have done some small amount of work?—A. Yes, sir.

Q. Has he paid you for the small amount of work you did for him?—A. It was for a little work in the house in which I lived. He was obliged to do it, but I made the repairs myself. I rendered no account.

Q. Why not make an account?—A. Even if I had asked him to make the repairs, perhaps he would not have done them.

Q. You live in one of Mr. Gregory's houses?—A. Yes, sir.

Q. How much rent do you pay a month?—A. I pay \$25 a month rent.

Q. How much did the tenant before you pay?—A. I cannot tell you.

Q. You pay \$15 a month rent more than it is worth?—A. It is not the same house that it was at that time; it has been repaired.

Q. Is it not a fact that you pay \$15 a month rent more than it is worth?—A. I do not know how much the other tenant paid before.

Q. I ask for your opinion. Would you pay the same amount of rent to any one but Mr. Gregory? Would you have paid the same amount of rent if Mr. Gregory had not been the agent of the Marine Department?—A. For ten years I paid \$12 for my shop and \$6 for my private lodging; that made \$18 per month. To-day I pay \$25 per month, only \$7 a month more, and I have five additional rooms.

Q. I would know if you would have consented to pay the rent you are actually paying if Mr. Gregory had not been the agent of the Marine Department?—A. Besides, I worked for the department before going there.

Q. Would you have consented to pay that rent if Mr. Gregory had not been the agent of the government?—A. I will not answer; he will charge me more next year.

Q. You think that if you said yes, he would charge you more next year?

(The witness does not reply.)

Q. Have you paid money to Mr. Gregory?—A. No, sir.

Q. Have you ever paid him commissions?—A. Never one cent.

Q. Have you borrowed money from him?—A. No, sir, I have never had business with him. As to the commissions, for four years I have never given any.

Q. But before? It was the system?—A. It was not the system. I contracted for the department but did not pay for it.

Q. For four years past you have not borrowed money from Mr. Gregory?—A. Never one cent.

Q. Now, for the work you did on account of the Marine Department, you have charged a few dollars more than to a private person, I suppose?—A. That is reasonable.

Q. That is reasonable; to have a few dollars more from the government than from a private person?—A. It seems to me reasonable.

Q. So on what you paid to Mr. Fontaine, Mr. O'Farrell and others, you lose nothing yourself; the government had to pay that; you have simply charged the government a few dollars more, and then you have paid the commissions to the others?

(The witness does not reply.)

Q. You consider it just that the government paid a little higher than others, you consider that the department should pay a little higher than a private person, is that your idea?—A. There are times, when one has had trouble for it besides.

Q. And in case of trouble, you charged a little higher to the government than to a private person?—A. Yes, sir.

Cross-examined by Mr. Choquette, K.C., counsel for Mr. J. U. Gregory.

Q. You have been asked if it is not true that you pay Mr. Gregory more for the rent of his house than you would have paid if he had not been marine agent. Is there any truth in that?—A. No, sir.

Q. You said that for ten years you paid \$18 per month for your private lodgings and your store?—A. Yes, sir.

Q. Since that time, in the house you at present occupy and which belongs to Mr. Gregory, for which you pay \$25 per month rent, you have had several more rooms?—A. Yes, sir, I have five more rooms.

Q. Now, is it not true that in the past ten years rents have risen at least one-half in Quebec?—A. They say so.

Q. Do you know it yourself, personally?—A. I have heard it said.

Q. You have heard it said that rents have gone up at least one-half in the past ten years?—A. Yes, sir.

Q. Consequently you find that in giving only \$7.00 more than ten years back, with five more rooms in the house, your rent is an ordinary increase?—A. Yes, sir, I find it usual, since I remain there.

Q. If you were not satisfied with the amount of the rent, you would not remain there?—A. No, sir.

Q. Now, you know that the owners do not make more repairs to their houses than are necessary?—A. No, sir.

Q. Being tenant of Mr. Gregory, there were some repairs you wished to have done?—A. Yes, sir.

Q. Mr. Gregory was not obliged to make them?—A. No, sir.

Q. And then, as they were in your line, you did them yourself?—A. Yes, sir.

Q. How much do the repairs you have done amount to?—A. I have not calculated. He would not do them, and I have no note of that.

Q. Is it an affair of \$40, \$50, for several years?—A. About that.

Q. You have never borrowed money of Mr. Gregory?—A. No, sir.

Q. Has Mr. Gregory asked you for a cent directly or indirectly to influence work for you from the Marine Department?—A. Never, sir.

Q. You are on the patronage list, are you not?—A. Yes, sir.

Q. Now the property you occupy is one of the fine properties in St. Roch, I believe, near the rue St. Joseph?—A. Yes, sir, at the back.

Q. It is a good place, a house easy to let?—A. Yes, sir, it is a good place for me.

Q. It suits you to live there at that price?—A. Yes, sir.

And further this deponent sayeth not

This twelfth day of November, 1908, Narcisse Dufour, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements re the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. Marc-Aurèle Lemieux, his counsel.

Q. You work for the Marine Department?—A. Yes, sir.

Q. For how long a time?—A. About thirty-five years, very near.

Q. You have received money from Mr. Audibert, have you not?—A. Yes, sir.

Q. Have you on different occasions received \$470?—A. I cannot say the amount exactly, but on my conscience I have received some.

Q. Have you ever asked money from Mr. Audibert?—A. No, sir, never.

Q. Have you solicited Mr. Audibert to give you money?—A. Never.

Q. Have you ever returned money to Mr. Audibert?—A. Never.

Q. What do you do for the Marine Department?—A. I am foreman.

Q. Have you ever done any favours to Mr. Audibert?—A. I am not able to do so.

Q. You are not able to do so, even if you would?—A. No, sir.

Q. Have you ever sent customers to or ever recommended the house of Drolet for other work outside that of the department?—A. Yes, sir, captains sometimes asked me if there were any good shops for machinery work, and I at times mentioned the house of Drolet.

Q. You are positive that you never returned money to Mr. Audibert?—A. Never, sir.

Q. If Mr. Audibert swore that you returned him money on the amounts that he gave you, he was mistaken?—A. Yes, sir. He is mistaken. I tell the truth.

Q. In what way did he give you the money?—A. He came without saying a word and gave me money. I never knew why.

Q. It is only the past four years that he gave you the money?—A. Yes, sir, about.

Q. You are the foreman of the forge of the Marine Department?—A. Yes, sir, I am foreman of the forge.

Q. You are the foreman of boiler construction?—A. Yes, sir.

Q. Did you give orders, yourself, to Mr. Audibert or to Mr. Drolet, or was it the department?—A. The orders came only from the office.

Q. Will you say who received the materials?—A. It is I who received the materials.

Q. Did you receive them, alone, or were you checked by others?—A. The men of the shop came with me.

Q. Who checked to see if the quality and quantity of the materials were those specified in the order?—A. It was myself.

Q. It then passed through the office?—A. Yes, sir.

Q. Have you ever received under any circumstances materials of inferior quality to those specified in the order?—A. On my conscience, only once; it was 'tardeage.' That might have passed.

Q. Have you ever received materials of bad or inferior qualities to those mentioned in the order; have you ever accepted them?—A. No, sir, I have never accepted such.

Q. Or of less quantity to that specified in the order?—A. No, sir, never.

Q. Have you ever refused the work of Mr. Drolet, or had it taken back?—A. But once.

Q. That did not often occur with Mr. Drolet?—A. No, sir, it was first-class work.

Q. You once refused the work, you say?—A. Yes, sir. I refused the work once. It was a trifle, not worth speaking of.

Q. You refused it that time?—A. Yes, sir.

Q. Have you ever done anything for that money, or other considerations, anything that could be detrimental to the Marine Department?—A. Never, sir.

Q. And for thirty-five years you have worked for the Marine Department?—A. Yes, sir, it is thirty-five years, very near.

Q. There have never been any reports against you?—A. No, sir, never.

(Cross-examined by Mr. Perron, K.C., one of the Counsel assisting the Commissioner.)

Q. When did you receive the first amount?—A. I am unable to tell you.

Q. How many years ago is it since you received the first sum of money from Mr. Audibert?—A. I am not able to say exactly.

Q. Nearly, approximately?—A. It must be four years; something like that.

Q. Will you speak louder, if you please, and turn towards the court?—A. Very well, sir. I never remarked the day of the month that he gave it to me, or otherwise. I cannot tell you either the day, or the year, or the month. I did not note that.

Q. It was you who received part of the goods, or materials, that the house of Drolet furnished to the Marine Department?—A. For the work of the forge, yes, sir.

Q. You are the foreman of the department forge?—A. Yes, sir.

Q. It was you who inspected the goods from Mr. Drolet when they were delivered?—A. Yes, sir.

Q. It was on your examination and report that the Marine Department relied to say whether, yes, or no, Mr. Drolet had delivered the goods as called for?—A. Yes, sir.

Q. For how many thousands of dollars a year did you receive goods from the house of Drolet?—A. I am unable to tell you.

Q. Is it not a fact that you received them to a large amount each year—A. That may be, but I cannot tell you precisely.

Q. It reached the thousands of dollars?—A. I think so.

Q. When Mr. Audibert gave you those moneys was he alone?—A. Yes, sir.

Q. Should he have spoken about it?—A. He never spoke of it to me.

Q. Should he have spoken of it outside?—A. I do not know.

Q. Have you spoken of it yourself?—A. No, sir, never have I spoken of it.

Q. Have you said to Mr. Gregory, your chief, that you had received money from the house of Drolet?—A. Never.

Q. Have you told it to any one?—A. No, sir, never.

Q. Why have you not spoken of it?—A. I do not know why. He gave it to me; he never said why it was.

Q. In your opinion, why did Mr. Drolet give you that money?—A. I am not able to tell you.

Q. What is your opinion about it?—A. It was a gift, I think.

Q. You have no doubt that he gave you that money to make you more easy; he paid you to render you more pliant; you had no doubt of that, had you?—A. I have no doubt that, if it was to make me more pliant, I did not become so.

Q. You took the money that Mr. Audibert gave you, and you kept it?—A. Yes, sir, I took the money that he gave me, and I kept it.

Q. Did he give you large sums at a time?—A. I do not know.

Q. Did he give you \$50 at a time?—A. I do not remember anything.

Q. In any case you had it?—A. Yes, sir, I had it.

And further this deponent sayeth not.

This 12th day of November, 1908 Albert Beauchemin appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. Marc-Aurèle Lemieux, his counsel.

Q. You live at Quebec, Mr. Beauchemin?—A. No, sir.

Q. Where do you live?—A. I live at Sorel.

Q. They accuse you of having received \$50 on April 14, 1906, from Mr. Drolet. Did you receive it?—A. I never received \$50 on April 19.

Q. In the month of April did you receive \$50 from Mr. Drolet?—A. No, sir. In the month of August, 1907, I was at Murray Bay on a visit with my wife. I wrote to Mr. Audibert asking him to lend me \$50. He sent me \$50 by money order and I returned him his money.

Q. In the month of August, 1907, when you were at Murray Bay, you asked Mr. Audibert to lend you \$50, he lent it and later you repaid him that amount?—A. Yes, sir.

Q. How do you explain that in the cash book of F. X. Drolet this sum of \$50 is still found?—A. I see that they put me down for \$850. I had already seen that I was down for \$1,200. They might as well have entered no matter what. I never received \$50 from Mr. Drolet. I borrowed \$50 and returned it.

Q. Of whom did you borrow that \$50?—A. I borrowed it from Mr. Audibert. He sent it to me by money order.

Q. And you returned him that \$50?—A. Yes, sir.

Q. How did you return him the amount; by cheque or otherwise?—A. I returned it in money.

Q. Do you remember when you returned it?—A. In the month of September, I think.

Q. It was some months after?—A. Yes, sir.

Q. Now they accuse you of receiving the sum of \$625 on April 22, 1907, from Mr. F. X. Drolet, or rather Mr. Audibert, the accountant of Mr. Drolet. Did you receive that amount?—A. No, sir. I received \$400, I cannot say if it was that date.

Q. You are positive that you did not receive more than \$400 that time?—A. Yes, sir, I am positive.

Q. Then did you have the remainder, that is to say \$225 balance of the sum of \$650.50 entered on the books of Mr. Audibert?—A. No, sir. I received \$400 only.

Q. Will you state for what reason and why you received that sum of \$400 as well as the sum of \$175 that appeared on your account previously, in 1906 I think?—A. In the spring, when Mr. Roy, Mr. Ernest Roy, I think, assistant inspector of government vessels, was working here for the department he said. ‘Go and look at a winch, a steam winch, in the yard on Murphy’s wharf, near the Allan wharf’—(The witness is interrupted by Mr. J. L. Perron).

By Mr. Perron:

Q. Here, at Quebec?—A. Yes, sir, at Quebec.

By Mr. Marc-Aurèle Lemieux:

Q. Proceed with your reply.—A. Mr. Roy said to me, ‘See what I can do with that winch.’

Q. The winch did not belong to the government?—A. No, sir. I went for a vehicle to carry the winch. I found a vehicle at Mr. Drolet’s only. I had the winch taken to Mr. Drolet. I said to Mr. Drolet, ‘Will you examine this winch to see if there are much repairs to be done; will you see whether much repairs are required to put it in good order?’ Mr. Drolet thought I suppose, that it was for the government. He afterwards commenced to repair the winch and has made use of it since that time.

Q. How much is the winch worth?—A. It is worth \$1,200 for any one who has need of it. For anyone who has no use for it, it is worth nothing.

Q. And how much has Mr. Drolet given you for the winch?—A. I said one day to Mr. Drolet, ‘What are you doing with my winch?’ He said, ‘See Audibert.’ I saw Mr. Audibert. He said, ‘Come on Saturday and we will arrange about it.’ On the Saturday I returned to see Mr. Audibert and he gave me \$400.

Q. Now was the amount of \$175 that you received of Mr. Audibert for the same reason?—A. No, sir. I had sent him the Compagnie St. Laurent as a customer. Capt. William Paul, who was at that time manager of the company, came to see me one evening. He said, ‘Do you know a place to have the cross-head of the engine repaired?’ I said. ‘The best shop is Mr. F. X. Drolet’s.’ I went with him to Mr. Drolet’s shop and presented him to Mr. Audibert. I think that Mr. Drolet was there.

Q. He was a customer that you sent to the house of Drolet?—A. Yes, sir. I think they have done \$2,000 worth of work for that company.

Q. Is it not true that you have also sent yacht and steamer owners to the house of Drolet?—A. Yes, sir, I have sent owners of yachts and steamers.

Q. And for that Mr. Audibert sent you this present?—A. Yes, sir.

Q. Have you ever received any other money from Mr. Audibert?—A. No, sir.

Q. Have you ever received moneys from Mr. Audibert to induce you to give contracts on account of the Marine Department to Mr. Drolet, or to induce you to accept goods of inferior quantity or quality?—A. No, sir. I can say that I have made him reduce his accounts at various times, accounts that he presented for acceptance and from which I have had him make deductions.

Q. Now, have you ever returned money to Mr. Audibert yourself?—A. I returned him the \$50 the money I had borrowed from him.

Q. Have you returned to Mr. Audibert a certain part of the rest of the moneys that you say you received from him?—A. There was no concealment about the money that he gave me. I did not conceal it. I spoke of it to several.

Q. Have you ever returned to Mr. Audibert a certain part of the money that he gave you?—A. I never returned one cent to him.

Q. Mr. Audibert has said in his evidence that you had given him some.—A. I never gave him one cent.

Q. Have you returned money to Mr. Audibert—the same sums that he gave you?—A. I returned him the \$50 that he had lent me; and I asked of him for my winch.

Q. And he paid you \$400 for your winch?—A. Yes, sir.

Q. You are positive in saying that a winch of that quality is worth \$1,200?—A. Yes, sir, it is worth that—\$1,200—to a person who has need of it.

Q. So that the winch went for nothing?—A. Yes, sir.

Q. He paid you what he owed you, that is all.

Q. Now, are you positive that the \$175 that Mr. Audibert gave you was because you sent customers to the house of Drolet?—A. Yes, sir. I had sent customers to the manufactory, and Mr. Drolet had large orders from them.

Q. Orders outside of those from the government?—A. Ah, yes, sir. Mr. Audibert told me so. He said to me: 'Try to send them. You advertise the shop well. Mr. Drolet finds that you send no small amount of business to us.'

Q. That is, outside of the government?—A. Yes, sir.

Q. You have never received perquisites from Mr. Audibert for nothing?—A. No, sir, never.

Q. Have you any other statements to make to the court, Mr. Beauchemin, regarding your position?—A. I have been employed by the department for four years. I was for two years assistant inspector of government vessels, and for two years since that have been superintendent of the St. Lawrence channel below Quebec.

Q. Have you not influenced the sale of pumps to private parties outside of the government by the house of Drolet?—A. I have recommended Mr. Drolet's pumps to Mr. Desbarrats. I told him that they were the best pumps on the market. Mr. Desbarrats said to me: 'I wish to buy twenty-two pumps.'

Q. Under the system existing in the department, it was not yourselves who gave the contracts?—A. No, sir, never.

Q. Was it yourselves who settled the prices?—A. No, sir, we examined the prices.

Q. Could you in any way have helped or done favours to Mr. Drolet with the control you had?—A. He passed in an account. First, when he did the work at the time I was assistant inspector for the government, I took the number of Drolet's men. I visited the yards every day. I was authorized by my superiors to go over from Lévis and take the time of Drolet's men when they were at work either on the lightship or on the government vessels. Then, when he sent in his account, I had received instructions to certify them. I looked them over to see if they were correct. Sometimes I made reductions when they were too high. At other times, when correct, I certified them as such.

Q. Have you ever received money from Mr. Audibert or other persons to keep you in good humour, to receive favours from you?—A. No, sir, never.

Cross-examined by Mr. J. L. Perron, K.C.:

Q. You have said, Mr. Beauchemin, that for two years you were assistant inspector of government vessels, here at Quebec?—A. Yes, sir.

Q. What were the duties of your position?—A. Reports were made by the engineers on what was required to be done on the vessels, the repairs to be made on them. An estimate was prepared and sent to Ottawa.

Q. In other words, you were to see whether the expenditures incurred by the captains of the vessels or by the engineers for the repairs of the vessels were just and reasonable?—A. No, sir, it was Mr. Schmidt who saw to that.

Q. You went to examine what repairs had been made?—A. When Mr. Schmidt was not there, it was I who examined for the repairs, but ordinarily it was done by Mr. Schmidt.

Q. You did something, at any rate. What was it that you did?—A. I had to see that the work was properly done.

Q. You had to control the work, according to the contracts entered into?—A. There were no contracts; it was day-work.

Q. You had to see that the work was done according to the rules of the art?—A. Yes, sir. I had to see that the work was done according to the rules of the art.

Q. If the materials were good, if the material employed by the house of Drolet, or by others, on these repairs were good?—A. Yes, sir.

Q. And if the work in general was done in the way a conscientious man would have done it?—A. Yes, sir.

Q. Those were your duties?—A. Yes, sir.

Q. You were then promoted to the position of superintendent of the St. Lawrence channel?—A. Yes, sir.

Q. Will you tell us, since we are on that ground, what your duties were as superintendent of the channel below?—A. I went by the orders they gave me to see that the two dredges—the one, No. 8, at Montmagny, and the other, No. 9, at the Ille-aux-Grues—were in working order.

Q. You saw, I suppose, to these dredges being kept in good condition?—A. Yes, sir.

Q. When there were repairs to be made, it was you who saw to their being done?—A. Yes, sir.

Q. In a word, all the expenditures that might arise from operating these dredges were controlled by you?—A. No, sir, by the department at Sorel.

Q. What were the expenditures on these dredges that were controlled by you, if there were any?—A. Sometimes there were some small repairs to be done; then it was I who saw to their being made.

Q. It was you who ordered the repairs?—A. Yes, sir.

Q. It was you who superintended operations? And as you said just now, after being assistant inspector with Mr. Schmidt, you were superintendent of the St. Lawrence channel below Quebec, and in this position you were also charged with the duty of visiting the yards to take the number of men at work, the names of the men employed, the time they made on the repairs, the materials they used and generally the way in which they did their work?—A. Yes, sir.

Q. And during the two years you were assistant inspector with Mr. Schmidt, could you say somewhere about the amount of the accounts of Mr. Drolet that you certified and approved, approximately?—A. Some \$15,000.

Q. Some \$15,000?—A. Yes, sir.

Q. This was in 1904 and 1905?—A. No, sir, it was in 1905 and 1906. . .

Q. In 1905 and 1906?—A. Yes, sir.

Q. Then, according to you, in 1905 and in 1906 you would have certified approximately \$15,000 or so of work done by the house of Drolet on account of the Marine Department?—A. It would be necessary to see the books to say the exact amount.

Q. But it is your impression that you certified at least some \$15,000 of work done by the house of F. X. Drolet on the vessels of the department?—A. Yes, sir, I certified more than that for Mr. Davie.

Q. But I am speaking to you of Mr. Drolet?—A. Yes, sir.

Q. These works were under your inspection?—A. Yes, sir, I inspected when it was not well done.

Q. You were charged with seeing the number of men that were employed, the prices that were charged, the time the men worked, the quantity of materials, the quality of materials and their price; those were your duties, were they not?—A. Yes, sir.

Q. This work, as you have already said, was done by the day?—A. Yes, sir, by the day and at a fixed price as well; by the job.

Q. And the department had no other means of ascertaining the nature of the work, the time employed to do it, the cost of the material and workmanship, than by your certificate?—A. When I certified, yes, sir.

Q. It was you who had absolute control of that work? And it was on you alone that the department could rely for information whether or not Mr. Drolet overcharged?—A. There was Mr. Schmidt.

Q. But when you certified the accounts yourself? I am speaking exclusively of the accounts certified by you alone?—A. Yes, sir.

Q. Then, as regards the accounts certified by you alone, in favour of the house of Drolet, as to all these the department had only you on whom to rely for information as to the manner in which the work was done and the quality as well as the cost of said work?—A. Yes, sir.

Q. Will you now tell me, if you please, what were the vessels on which the repairs that you certified were made in the year 1905?—A. I do not remember.

Q. You do not remember?—A. No, sir.

Q. Then will you tell us, if you please, how much, for one reason or another, you received from Mr. Audibert, Mr. Drolet's accountant, during the year 1905?—A. I explained it just now.

Q. You have the total amounts. I wish to have the details?—A. It was for work I sent them.

Q. I wish to know how much you received from Mr. Audibert during the year 1905?—A. I do not remember.

Q. You are able to give us the approximate figures?—A. No, sir, I do not remember—I do not think I received anything in 1905.

Q. Are you certain you received nothing from Mr. Audibert in 1905?—A. I cannot swear, but I do not remember.

Q. You could not say?—A. No, sir.

Q. For how many years have you known Mr. Audibert?—A. I have known him for about four years.

Q. You knew him when you entered the Marine Department?—A. I knew him when I came here.

Q. You knew him when you entered the employment of the Marine Department?—A. Yes, sir.

Q. It was then that you knew him?—A. Yes, sir.

Q. You have had business reports, bank reports from him?—A. No, sir.

Q. You did not see Mr. Audibert frequently?—A. I never saw him on the street, aside from the shop.

Q. I am speaking to you of business reports?—A. I have met him at his office.

Q. You went to Mr. F. X. Drolet's office rather frequently?—A. Yes, sir, about the work.

Q. And it was there that you met Mr. Audibert?—A. No, sir. I often went to Mr. Drolet's in the morning to see if he was doing such and such work. It was to the shop that I went.

Q. Could you tell us the period at which you received the first amount of money from Mr. Audibert?—A. I think it was in 1906.

Q. In what month, about?—A. I am unable to tell you; I do not remember.

Q. You do not recall the amount?—A. I think that it was \$175, but cannot swear it.

Q. That would be the first amount you received from Mr. Audibert?—A. I cannot swear that it was the first amount.

Q. At all events, it comes to your recollection in effect that you received from Mr. Audibert a first payment of \$175?—A. Yes, sir.

Q. Will you state to the court what enables you to recall this payment of \$175?—A. What makes me remember it?

Q. What is it that brings back to your memory this payment of \$175 that Mr. Audibert made you?—A. There is nothing; I remember that he gave it to me.

Q. There is nothing in particular that causes you to remember this payment of \$175; you only remember that Mr. Audibert made you a payment of \$175?—A. Yes, sir.

Q. Was it by cheque?—A. No, sir, in money.

Q. It is in money that he gave it?—A. Yes, sir.

Q. Do you remember the denominations of the notes?—A. No, sir, I do not remember.

Q. Was it in a large number of notes or only in bank notes of large denomination?—A. I think they were \$5 notes, I believe so.

Q. Will you tell me now where this money was given you?—A. It was in his office.

Q. In the office of Mr. Audibert at Mr. F. X. Drolet's?—A. Yes, sir.

Q. You went there one morning and you met Mr. Audibert?—A. I went there in the afternoon, about the work.

Q. You went to Mr. F. X. Drolet's in the afternoon, about some work you were having done at his shop?—A. Yes, sir.

Q. What repairs were on hand at the time; will you tell me that?—A. I cannot state what repairs. It was the lightships that were being repaired.

Q. They were repairing the machinery of these lightships?—A. Yes, sir.

Q. This work was being done by the day?—A. Yes, sir; it was being done by the day.

Q. The work was rather extensive, I suppose?—A. Yes, sir, rather so.

Q. For some \$10,000?—A. Ah, no, not so much as that.

Q. Five or six thousand dollars?—A. It was \$700 to \$800 per lightship, and there were three.

Q. Then it was a matter of \$2,500 to \$3,000 of repairs?—A. Yes, sir.

Q. And you were charged by the department with the inspecting of those repairs?—A. Yes, sir.

Q. It was you who were at the time the inspector?—A. Yes, sir.

Q. It was your duty, at the time?—A. Yes, sir.

Q. It was your only occupation, I presume?—A. Yes, sir.

Q. It was at the time, your only occupation, to inspect the repairs that were being made to these lightships?—A. Yes, sir.

Q. Then, you went, one morning, to the office of Mr. Audibert, on the subject of those repairs?—A. No, sir, I went to the shop; the office is above, and the shop is below.

Q. Was it in the shop that you met Mr. Audibert?—A. No, sir, I met Mr. Drolet below, in the shop.

Q. You talked with him about the repairs that were in the course of being made?—A. Yes, sir.

Q. Was there, that morning, any work that did not satisfy you?—A. No, sir, I think not, I do not remember any.

Q. Could you remember, now, for what special reason you went to the office, or the manufactory, or the building of Mr. Drolet, that morning?—A. I was authorized by my bosses to see to the work; if it was being done.

Q. Was there anything special that morning?—A. No, sir.

Q. Do you remember for what reason you went there?—A. It was like the other mornings; I went there every morning. It was practically my only occupation.

Q. You went every morning to Mr. Drolet's shop to see how the construction of certain pieces of machinery was getting on?—A. Yes, sir.

Q. To see how many men were employed on the work and what materials they were using?—A. Yes, sir, to see that when the accounts came in they did not charge too much.

Q. After the visit to Mr. Drolet, you went to Mr. Audibert's office?—A. Yes, sir, I went up to Mr. Audibert's office.

Q. At whose request did you go there?—A. At no one's request.

Q. Why did you go up to Mr. Audibert's office?—A. Why did I go up to Mr. Audibert? It was to look for a patent that I had there, a patent to draw out the spikes from railway ties.

Q. It was a patent that you had left with Mr. Audibert?—A. I left it with Mr. Drolet to have it made by wholesale.

Q. You entered Mr. Audibert's office. What took place there?—A. Mr. Drolet came in. I asked for my patent. Mr. Drolet went out. I asked at the office for my patent. Mr. Audibert gave it to me. He said, 'Wait for me (attends-moi) a minute.'

Q. You used the 'thou' to each other?—A. He said, 'Wait for me' (attendez-moi), or 'Wait thou for me' (attendes-moi donc) 'a minute.'

Q. Do you use the 'thou,' yourself, to him?—A. No, sir.

Q. Were you in the habit of using the 'thou'?—A. No, sir. He said: 'Wait for me (attendez-moi) a minute.'

Q. He said to you to wait a minute; and then what took place?—A. He said, 'Here is \$175 or \$200.' He said: 'You are good, you bring custom, you are good for the shop, you send customers outside of the Marine Department—'

Q. He said to you. 'You are a friend of the shop'?—A. No, sir.

Q. He did not say to you, 'You are a friend of the shop'?—A. No, sir. He did not say to me that I was a friend of the shop.

Q. Mr. Beauchemin, you are not obliged to answer yes to the questions I put to you. Take all the time that you desire, to reply.—A. Very well, sir.

Q. What did Mr. Audibert say to you in giving you the money?—A. I will tell you. He said, 'You have sent orders to the house, you have sent us an American yacht for repairs.' Then I sent them—it was in 1906, I think—

Q. You have already told me that?—A. I sent a steamship captain who had his shaft repaired.

Q. Pardon, if I interrupt you. I do not ask you what you did for them; I ask you tell us what Mr. Audibert said you had done for them?—A. He told me that I had sent them work outside the Marine Department for which he recompensed me. He gave me \$175 or \$200.

Q. It might as well be \$250?—A. No, sir, not \$250.

Q. While we are on this, Mr. Beauchemin, do you keep books?—A. No, sir.

Q. Not even a memorandum?—A. No, sir.

Q. For your personal affairs?—A. No, sir.

Q. Then you have never entered, anywhere, the various amounts you received from Mr. Audibert?—A. No, sir.

Q. You have no small book, no small memorandum for your own affairs to see how much you pay out?—A. No, sir.

Q. You have no document, no book of any sort, in which you might trace these payments?—A. No, sir.

Q. You said to Mr. Audibert, 'Thanks,' you put the money in your pocket and you left?—A. Yes, sir.

Q. Now you believe that was the first payment made to you by Mr. Audibert?—A. Yes, sir, I think so.

Q. Will you tell us now, if you please, when the second payment was made to you? To assist your memory, tell me about how a long a time it was, after the payment of which we have been speaking, that you received the second payment from Mr. Audibert?—A. About four or five months after, I cannot tell you exactly, I kept no account of that. I have received about \$800 from Mr. Audibert.

Q. I should like to have the details of what you received from Mr. Audibert?—A. I have none.

Q. I wish to know from you approximately, to the best of your knowledge, somewhere about how many months it was, after the first payment of which you have been telling us that you received the second?—A. I am unable to tell you exactly.

Q. Two or three months later?—A. More than that.

Q. When you received the second payment you were, I presume, occupied in the inspection of work done by the house of Drolet?—A. No, sir.

Q. What were you looking after at that time?—A. I had nothing to do.

Q. You had nothing to do?—A. No, sir, I was doing nothing. At the time of the winch I was waiting for some breakage. It was in the summer.

Q. Then as nothing had broken you had nothing to do?—A. Yes, sir.

Q. Had you finished the inspection of the work that the house of Drolet had done for the Marine Department?—A. No, sir.

Q. How long a time was it that the house of Drolet had completed the last work for the Marine Department when you received the second payment; how long a time was it that the house of Drolet had finished the last work on account of the Marine Department?—A. I do not remember.

Q. Was it a month?—A. More than that. The heaviest work was done in the spring.

Q. And then, did I rightly understand you to say you received the first payment from Mr. Audibert in the spring?—A. I do not remember the date.

Q. Was it in the spring?—A. It was in the month of March, April or in the month of May; I do not remember.

Q. The second payment in that case would have been in the summer?—A. I think it was in the summer—it was in the autumn, I believe. I know that they used their winch to haul the vessels.

Q. That second time, you received four hundred dollars (\$400)?—A. Yes, sir.

Q. Then state exactly how, under what circumstances, and where this payment of four hundred dollars (\$400) was made to you?—A. It was in the office again.

Q. In the office of Mr. Audibert?—A. Yes, sir.

Q. By cheque?—A. No, sir, in bank notes.

Q. Notes of five dollars (\$5)?—A. Notes of ten dollars (\$10), I believe. I cannot swear whether they were of \$10 or \$5. I know there were some notes of large denomination.

Q. Had you been yourself to the office that morning?—A. I had been to Mr. Drolet's shop to see the work that was being done. I was at the shop in the morning. I said to Mr. Drolet, 'Listen, then, what have you done about my winch'?—

Q. The winch was not yours?—A. No, sir. Mr. Roy had given it to me to see about getting it repaired. I did not know who it belonged to. I do not know yet.

Q. It was a mysterious winch?—A. We may find out to whom it really belongs. There are some who know.

Q. You said in your examination-in-chief that Mr. Roy told you to have the winch taken there to get it repaired?—A. He said to me, 'See what they can do with it.'

Q. And you had it taken to Mr. Drolet's?—A. Yes, sir, I told them where it was.

Q. Was it sent to Mr. Drolet for repairs?—A. It was to examine it to see how much it would cost to repair it.

Q. And you went to Mr. Drolet's that morning to have their reply?—A. No, sir, it had been repaired since the spring.

Q. You had given instructions to repair it?—A. They believed, I suppose, when I arrived with the winch, that it belonged to the government. When they see work coming from the government they jump on it.

Q. They do not leave that hanging around?—A. No, sir. They repaired it at once. They tried as I understood to get paid by the government.

Q. You know that they made repairs to the winch, and that they sent an account to the Government Marine Department?—A. From what I understood, they sent an account to the department.

Q. Did not Mr. Drolet tell you so?—A. No, sir, he did not.

Q. Did not Mr. Drolet tell you he had made repairs to that winch?—A. I know that they made repairs; afterwards, they tried to get payment from the government. The government said that it had never bought the winch. I know that they tried to get paid by the department for the repairs to the winch. The department said it had never authorized the repairs.

Q. Then Mr. Drolet remained in possession of the winch?—A. Yes, sir, they still have it.

Q. To return to that morning. You saw Mr. Drolet first,—and what did you say to him?—A. I said to Mr. Drolet: 'You are making use of my winch.' He said: 'You will see Mr. Audibert; you will arrange with him.' I saw Mr. Audibert. It was then that he handed me four hundred dollars (\$400).

Q. You should have said to Mr. Drolet, 'What do you think of the winch. It goes all right. Is it not worth so much'?—A. He knew it, he took it all to pieces, and put it together again. Then Mr. Drolet sent an account to the department for the winch.

Q. How could he have made the department pay for the repairs to the winch while still keeping it?—A. That is what I understood; that they tried to get paid by the government.

Q. How could Mr. Drolet pay you yourself, for that winch; in what capacity?—A. I know well. They sent an account to the department to get payment. The department refused, because the winch did not belong to the government.

Q. However that may be, Mr. Drolet, when you spoke to him about the winch, that morning, said to you, 'See Mr. Audibert'?—A. Yes, sir.

Q. He was the man to see?—A. Yes, sir; I did not fail to see him.

Q. You did not fail to go to him?—A. No, sir.

Q. Then you went up above, to the office, and proceeded to see Mr. Audibert?—A. Yes, sir.

Q. What did you say to Mr. Audibert, on getting there?—A. I said to him, 'Mr. Drolet sends me about the winch.' He said 'You will come Saturday; we will arrange that.'

Q. What day of the week was it?—A. It was Tuesday or Wednesday.

Q. Then on the Saturday, you returned to Mr. Audibert?—A. Yes, sir.

Q. In entering Mr. Audibert's office were you obliged to say anything?—A. I said, 'Have you seen to the affair of the winch.' He gave me four hundred dollars (\$400) in an envelope. It was in another envelope. I have not concealed it. I have spoken of it to any who wished to know.

Q. That made \$575?—A. Yes, sir.

Q. Now are you quite positive you did not receive more than \$400 that time?—A. Yes, sir.

Q. You swear it was not more than four hundred dollars (\$400) that you received that time?—A. I believe it was not more.

Q. Do you swear it was not more than that?—A. Yes, sir, I swear it was four hundred dollars (\$400) that I received.

Q. Now, the other payment, the third payment that you received?—A. It was last year.

Q. How many months was it after you received the four hundred dollars (\$400) that you had the third payment?—A. A long time afterwards, seven or eight months.

Q. Seven or eight months after receiving the four hundred dollars (\$400)?—A. It seems to me—I did not keep the dates.

Q. I ask you approximately, to the best of your knowledge?—A. I am not sure.

Q. How much was that payment?—A. I think it was \$100.

Q. Let us try to remember; was it one hundred dollars (\$100) or two hundred (\$200)?—A. I think it was one hundred dollars (\$100). There were two of one hundred dollars (\$100).

Q. At what season of the year was it?—A. It was in the autumn.

Q. Late in the autumn, or early?—A. About the beginning of the autumn, something like the present time.

Q. In the month of November?—A. Yes, sir, in the month of November.

Q. What were you doing at that time?—A. I was on the government vessels, below.

Q. You were at the time, superintendent of the St. Lawrence channel below Quebec?—A. Yes, sir.

Q. You had changed your position?—A. Yes, sir.

Q. Had the season not terminated at the time?—A. No, sir, it was not over.

Q. Then you were here, at Quebec temporarily?—A. Yes, sir.

Q. Was the house of Drolet then doing repairs for the Marine Department?—A. No, sir, not for me.

Q. Mr. Drolet had done so for you the previous summer?—A. Scarcely anything, five or six hundred dollars.

Q. That you had certified yourself?—A. Yes, sir, that I had certified myself.

Q. In your capacity as inspector of the channel, or rather in your capacity as superintendent of the St. Lawrence channel?—A. Yes, sir.

Q. They were repairs of dredges that you had under your orders?—A. Yes, sir.

Q. They were repairs that you had ordered yourself?—A. Yes, sir.

Q. That you had inspected yourself?—A. Yes, sir.

Q. And for which you had, yourself, approved the accounts?—A. Yes, sir.

Q. You were the only officer of the department who had control of these various expenses?—A. Yes, sir.

Q. And the department was obliged to rely on you alone as to such expenses?—A. Yes, sir.

Q. Then in the autumn you came to Quebec temporarily?—A. Yes, sir, I left from below with my vessel.

Q. You went to Mr. Drolet's; to the shop at Mr. Drolet's, I presume?—A. No, sir. I went to Mr. Drolet's yards.

Q. Why did you go to Mr. Drolet's yards?—A. To look at a dredge at work.

Q. Why did you go to look at this dredge at work?—A. To see what was going on.

Q. And whom did you meet there?—A. I met Mr. Audibert.

Q. Mr. Audibert was there, at the yard?—A. Yes, sir.

Q. And then, what passed between Mr. Audibert and you, at that time?—A. Mr. Audibert told me that if I recommended his pumps, he would recompense me.

Q. He said that if you recommended the pumps of the house of Drolet, he would not forget you?—A. Yes, sir, something like that.

Q. What then occurred?—A. Then we went on to talk of Mr. Drolet's pumps. I said they were the best pumps on the market, and it is true. Then the department at Sorel asked me; one day Mr. Desbarrats asked me what I thought of Mr. Drolet's pumps. He wanted a certain number of pumps. I told him Mr. Drolet had the best pumps on the market. I said to him: 'We have one below that works. It gives us good satisfaction.' I believe that he must have taken a dozen pumps at one time.

Q. It was for the Marine Department, at Sorel?—A. Yes, sir. The prices were made by Mr. Desbarrats; there was a special price on those pumps.

Q. These pumps were sold on your recommendation?—A. I recommended the pumps of the house of Drolet, and Mr. Desbarrats sent on plans for making a change.

Q. You said that to Mr. Audibert that morning?—A. I told Mr. Audibert that I had recommended the pumps of the house of Drolet to Mr. Desbarrats as being the best pumps on the market. He said, 'Good, I see that you work for the house.'

Q. That morning, you met Mr. Audibert, and the question of the pumps came up?—A. Yes, sir.

Q. What was said then, by you two?—A. I said, 'I work much better than you pay.' At that he said, 'You will pass at noon. I will give you one hundred dollars.'

Q. Then, I suppose, you discussed the pumps, and you asked Mr. Audibert if he had delivered the pumps at Sorel that the house of Drolet had sold to the department?—A. He himself said to me: 'I have received an order for ten pumps from Sorel.'

Q. And upon that, you made the remark that you worked a good deal more than he paid?—A. Yes, sir.

Q. It was then that he said to you: 'You will pass at noon. I will give you one hundred dollars'?—A. Yes, sir.

Q. You went at noon to his office?—A. Yes, sir.

Q. He gave you one hundred dollars in bank bills?—A. Yes sir; he gave me one hundred dollars in bank bills.

Q. Were they \$5 bills, or \$10 bills?—A. I think they were \$5 bills.

Q. Now, the other payment, the fourth payment; how much was the fourth payment?—A. I think it was one hundred dollars (\$100).

Q. You are quite certain it was one hundred dollars (\$100)?—A. It seems to me it was one hundred dollars (\$100) twice.

Q. It might have been two hundred dollars (\$200)—A. I believe not.

Q. You're not certain?—A. No, sir.

Q. How long was it after the third payment that the fourth was made?—A. Not long after.

Q. One month, two months, after?—A. It was late in the autumn, very close to the New Year.

Q. Very close to the New Year?—A. Yes, sir.

Q. May be, a few days before, or a few days after?—A. Yes, sir, so it seems to me.

Q. Then, that would be in the month of December, one thousand nine hundred and six (1906), at the end of December one thousand nine hundred and six (1906), or the commencement of the month of January, one thousand nine hundred and seven (1907)?—A. Yes, sir, something like that.

In the closing days of December, 1906, or in the early days of January, one thousand nine hundred and seven (1907)?—A. I think so.

Q. What were you doing at the time?—A. I was still superintendent of the ship channel of the St. Lawrence below Quebec.

Q. You were superintendent of the St. Lawrence channel, below Quebec?—A. Yes, sir.

Q. The season for dredging was over?—A. Yes, sir.

Q. You were here at Quebec permanently?—A. No, sir. I was here to inspect the work on board the *Lady Grey*, to send her to the Seven Islands.

Q. Rather extensive repairs were being made at the time on board the *Lady Grey*, to put her in condition to make a winter voyage to the Seven Islands?—A. Yes, sir.

Q. Who was given the work to be done?—A. It was Mr. Drolet.

Q. And it was you who inspected the work?—A. I was here expressly for that.

Q. It is the only reason for which you were at Quebec?—A. Yes, sir.

Q. It was work by the day?—A. There was day work, and work at a given price.

Q. There was work by the day?—A. Yes, sir.

Q. Can you say, approximately, the amount that the repairs then made on board the *Lady Grey* might have reached?—A. I think it was five hundred dollars (\$500). I am not sure, it seems to me it was five hundred dollars (\$500).

Q. It might have been a thousand dollars (1,000)?—A. There were two accounts I believe.

Q. Which accounts you yourself certified and approved?—A. Yes, sir.

Q. In that case, you were the only one on whom the department could rely as to the price, the quantity and the quality of the materials, and the rest?—A. Yes, sir.

Q. Well, under what circumstances did you have that hundred dollars from Mr. Audibert?—A. For having sent work to the house of Drolet.

Q. What was it that took place, if you please?—A. What was it that took place?

Q. Yes; tell us what took place between you and Mr. Audibert that time, when he gave you the hundred dollars (\$100)?—A. I said to him at first—(The witness is interrupted by Mr. Perron.)

Q. As usual, you went to the establishment of F. X. Drolet?—A. Yes, sir.

Q. In order to examine the work that Mr. Drolet did for the department on board the *Lady Grey*?—A. Yes, sir.

Q. You examined the work?—A. Yes, sir.

Q. And you met with Mr. Audibert there?—A. Yes, sir.

Q. You went up to the office with him?—A. I met him below, in the shop, and went up to his office.

Q. Would you tell us, if you please, what passed in his office?—A. There we spoke about the business of the Compagnie St. Laurent whose work I had sent him. In regard to that, he said to me, 'We had some large orders from them, the past year. I will recompense you for that.' He gave me one hundred dollars (\$100) some days afterwards.

Q. Was it in bank notes or by cheque?—A. No, sir, it was not by cheques, it was in bank notes.

Q. Have you received other sums from Mr. Audibert?—A. There may have been some small sums, but I do not remember.

Q. It may be that you received other small sums from Mr. Audibert, but you do not remember?—A. No, sir. Perhaps other little amounts that I do not recall—

Q. Now have you received other amounts from other persons besides Mr. Drolet?—A. No, sir.

Q. You swear that Mr. F. X. Drolet is the only person who paid you money?—Yes, sir.

Q. You have a bank account, Mr. Beauchemin?—A. No, sir.

Q. You do not keep a bank account?—A. No, sir.

Q. Did you keep a bank account during those years?—A. I had a bank book at Sorel.

Q. Had you a bank account when you received \$175 from Mr. Audibert?—A. Perhaps.

Q. You do not remember?—A. No, sir.

Q. Did you deposit that sum of \$175 in the bank?—A. I do not remember.

Q. Did you deposit the four hundred dollars (\$400) in the bank?—A. I do not remember. I think I paid some accounts with it that I owed at Sorel.

Q. Did you deposit the other two hundred dollars that you received from Mr. Audibert in the bank?—A. I do not believe that I deposited any of that money in the bank.

Q. Your bank book would show such deposits?—A. Yes, sir, if I deposited them. My bank book is at Sorel; it is a book of the Hochelaga Bank.

Q. Will you find your bank book and send it to us; send it to Mr. Watson or myself.—A. Yes, sir.

Q. You will not forget, if you please, to send us the bank book?—A. No, sir.

Q. Then, according to you, you claim that the sum you received from Mr. Audibert was eight or nine hundred dollars?—A. Not nine hundred dollars (\$900); eight hundred and fifty dollars (\$850) or eight hundred dollars (\$800).

Q. I forgot. You mentioned just now, a sum of fifty dollars (\$50) that you had received from Mr. Audibert at the hotel, Murray Bay?—A. Yes, sir, but I returned him the fifty dollars (\$50).

Q. What do you call that hotel at Murray Bay?—A. It is the Chateau Saguenay.

Q. You went there on a visit?—A. I went there to fetch my wife.

Q. And it was while you were there that you wrote to Mr. Audibert, asking him to lend you the money?—A. Yes, sir, I asked him to lend me fifty dollars (\$50), that I would return to him on the government monthly pay, and I did return it to him.

Q. Did you return it in cash, that money?—A. Yes, sir, from hand to hand.

Q. Where was it that you returned it to him?—A. I returned it to him at Quebec in his office.

Q. You took no money from the bank for that, to return him the fifty dollars (\$50) that he lent you?—A. I cashed my cheque of \$125 that I had received from the department and paid him.

Re-examined by Mr. Marc Auriele Lemieux, Counsel for Albert Beauchemin, the witness.

Q. The four hundred dollars (\$400) that you received from Mr. Audibert was for your winch, was it not?—A. Yes, sir.

Q. The \$175 that you stated you had also received from Mr. Audibert—if I understood you aright, you sent work to Mr. F. X. Drolet's shop, aside from that of the Marine Department?—A. Yes, sir.

Q. What amount of work had you sent, at that time, to the house of Drolet?—A. I sent work to the house of Drolet, the time I was there, during four years, certainly to the amount of ten or twelve thousand dollars.

Q. The hundred dollars (\$100) that you received from Mr. Audibert—you say, if I understand aright, that you sent the Compagnie de St. Laurent to Mr. F. X. Drolet's shop to have repairs made?—A. Yes, sir.

Q. What amount of work did the *Compagnie St. Laurent* have done by the house of Drolet?—A. Mr. Audibert told me they had work done for nearly two thousand dollars (\$2,000).

Q. You received another hundred dollars (\$100) from Mr. Audibert for pumps that you bought through the department at Sorel from the house of Drolet?—A. Yes, sir; I recommended the pumps. The orders were given by the department at Sorel through Mr. Desbarrats.

Q. Do you know whether the house of Drolet sold its pumps dearer under those circumstances, than it was its custom to do? Did you say the prices were made by Mr. Desbarrats?—A. Yes, sir, the prices were made by Mr. Desbarrats. I recommended the pumps as being good ones.

Q. Now, the house of Drolet was the only one that supplied the government in its line; there was no competition?—A. I believe not.

Q. Now, this last question: all the accounts that you have approved since you have been employed by the Marine Department—will you say if all those accounts were correct, and if you always approved those accounts honestly and without defrauding the government?—A. Yes, sir. In several instances I have had sums of \$100 struck off Mr. Drolet's accounts. One account in particular was for a plate sent to Mr. Drolet's to recast, the order for which was given by Mr. Gagné. When the account was received—instead of the plate—. The pattern had been badly made. The specification called for a thickness of seven-eights. In running the plate, it bent. It had worked. They were not able to bring it to seven-eights, they made it three-fourths. It was returned, and they ran another one. They made another pattern. They wanted to make us pay for the two. I refused.

Q. That is to say, it was not a favour that you did to the house of Drolet, that time?—A. No, sir.

(Cross-examined on the re-examination, by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.)

Q. That plate—when was it made?—A. A pretty long time back.

Q. How long a time after the accident to the plate was it that you received the \$175?—A. I am not able to tell you. I do not remember.

Q. At all events, the plate incident occurred before receiving a cent from Mr. Audibert?—A. Yes, sir. After having received \$175 from Mr. Audibert I deducted amounts from Mr. Drolet's accounts. When there was something in the account, when the accounts were not correct, I made deductions. When the accounts were correct, I let them pass.

And further this deponent sayeth not.

This twelfth day of November, 1908, LOUIS PHILIAS GAGNE, ship-carpenter, appears before the Honourable W. G. P. CASSELS, Commissioner, to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Marc-Auriéle Lemieux, his counsel.

Q. You have worked for a long time for the Marine Department?—A. For about eleven years.

Q. To-day you are among those who have been suspended, are you not?—A. Yes, sir.

Q. Will you state in what capacity you worked for the Marine Department at the time of your suspension?—A. Ah, well—

Q. What were you doing?—A. At first, to tell you what I did, I was foreman of carpentry and different kinds of work; I did the carpentry that there was to be done.

Q. As a matter of fact, Mr. Gagné, you are foreman of carpenters for the Marine Department?—A. Yes, sir.

Q. You are charged with having received \$15 from Mr. Drolet, or rather, Mr. Audibert. I ask you to answer, is that true?—A. I received \$15 from Mr. Audibert in payment for work I had done for Mr. Drolet.

Q. Will you state to the court, if, on one occasion, or on several occasions, you did not make extra time, outside your work for the government, if you did not make 'overtime' as they say, in the evening, at night, for the house of Mr. F. X. Drolet?—A. Yes, sir.

Q. Well, state to the court under what circumstances you have helped at the house of Drolet, outside of your work for the department?—A. I have helped to place a boiler on board a vessel, Mr. Audibert came to find me. He asked me if I would be so good as to come to the King's wharf and take a boiler; to come back after my day's work to take the boiler and place it on a schooner. I said to him, 'I will do that for nothing to render you a service.'

Q. And you did it?—A. Yes, sir.

Q. Will you tell us whether on another occasion, they did not take advantage of your experience to help Mr. Drolet's people to get off the vessel *Ste. Croix*, which was at his yard and would not move?—A. Yes, sir, Mr. Audibert asked me several times to help him.

Q. What did you do for the vessel *Ste. Croix*?—A. I helped, and suggested what I thought, to the best of my experience ought to be done, and the vessel went off.

Q. You know that they had tried several times to get the vessel off, and that it did not move?—A. Yes, sir.

Q. And Mr. Audibert gave you fifteen dollars (\$15) for that?—A. I think that I had earned it before, for the boiler.

Q. You received money from Mr. James Murphy?—A. Yes, sir.

Q. Did you receive the amount that he says he gave you?—A. To the best of my knowledge I think not, I would say it was less than that.

Q. You have received cheques, Mr. Gagné, and to change those cheques you had to endorse them?—A. Yes, sir; that is to say, now, those I received, the cheques, are endorsed by me.

Q. Have you received money, Mr. Gagné, from Mr. Murphy, hand to hand?—A. Yes, once. It is the only time I can remember, precisely. I cannot tell the amount. One day I was at his office—(The witness is interrupted by Mr. Lemieux).

Q. You know how to read, Mr. Gagné. Will you say which among these are the cheques that you received, those that are endorsed by you? (The counsel shows the witness a package of cheques, signed by Mr. Murphy, which had been produced to the court with the evidence of Mr. Murphy). (The witness examines the cheques in question, and replies)—A. There are no cheques among these endorsed by me.

Q. Will you state whether you have had transactions of your own with Mr. Murphy on the business of the department?—A. No, sir.

Q. Had you the right and could you give contracts to Mr. Murphy, in preference to others?—A. No, sir.

Q. Had you the right to give a contract to or to fix the price of a contract or the price of materials with Mr. Murphy?—A. No, sir, not with him or others.

Q. Had you the right to fix the quantity of materials that you could purchase of Mr. Murphy?—A. No, sir.

Q. As a matter of fact, had you the right to purchase for the department, yourself?—A. No, sir.

Q. What prevented your buying, yourself? Explain it to the court?—A. I made out the orders. I then went and presented them to the agent.

Q. What agent?—A. Mr. Gregory or Mr. Béland or Mr. Mailloix, when he was assistant agent. The name of the one who must have the order was mentioned. I had no authority to suggest the name of the person. The patronage was left to the agent.

Q. Could you procure goods where you liked?—A. No, sir.

Q. Is it not true, as a matter of fact, that you were obliged to take part of your goods from Mr. James Murphy, because Mr. Odell the younger, nephew of Mr. Gregory, worked there?—A. No, sir, I think not.

Q. Have you ever, in whatever manner, under any circumstances, favoured Mr. Murphy to the detriment of the Marine Department?—A. No, sir.

Q. Never?—A. Never.

Q. Have you refused in various instances the goods Mr. Murphy sent you, even in the time that he gave you money?—A. Yes, sir.

Q. Well, state under what circumstances, for the information of the court?—A. I recall that during the construction—I worked ten hours, twelve hours, fifteen hours, a day for the department—Mr. Murphy sent in tongued and grooved boards. Generally when there was something rotten, no matter what, I went to the resident engineer and showed him that the wood was culled; that I had not accepted it. I made a cross on it with a blue pencil.

Q. That wood was supposed not to pass, on any consideration?—A. No, sir. There was also square timber often, that I refused. Last year, for the construction of a large vessel that we built I culled eighteen to twenty pieces of wood.

Q. How much were those pieces worth?—A. They were worth, at the time, thirty-five cents a foot, for the twenty pieces.

Q. What was it worth, in all?—A. To the best of my knowledge it was worth thirty to forty dollars (\$40).

Q. You culled it; that is to say, you put that wood aside?—A. Yes, sir.

Q. Is it not true that at different times you received broken kegs of cement and telephoned Mr. Murphy to send others; that you would not take them?—A. Yes, sir.

Q. Is it not true that, with Mr. Murphy, you went to St. Joachim, Grande Rivière and other places, to inspect the wood the government wanted?—A. Yes, sir.

Q. You spent your time at that?—A. Yes, sir.

Q. It was 'overtime' that you made?—A. Yes, sir.

Q. It was time that you took during your holidays?—A. Yes, sir.

Q. Or the time that Mr. Gregory allowed you for a holiday?—A. Yes, sir, because I had never asked Mr. Gregory or others for a holiday of eight or nine days.

Q. When you found yourself able to make a few dollars, you asked for a holiday?—A. Yes, sir.

Q. Have you asked Mr. James Murphy for money?—A. No, sir, never.

Q. When he gave you any money, it was of his own accord?—A. When he gave it to me, the first time, when he presented me a cheque, I said: 'Why do you give me that?' He said: 'Listen to me, I give you that money not to embroil you with the government, with Mr. Gregory or others; it is a present that I make to you.' I took it and put it in my pocket.

Q. That is to say, it was money that he gave you in the shape of a present?—A. Yes, sir.

Q. Did you think it was to receive favours from you?—A. I thought so. It had no affect on me.

Q. If it was for favours, have you bestowed any?—A. He went to the wrong man.

Q. What Mr. Murphy said awhile back, namely, that he gave you money without receiving any favour whatever from you, is true?—A. Yes, sir, it is true.

Q. Have you ever accepted goods from Mr. Murphy of quality and quantity inferior to those specified in the order?—A. No, sir, never.

Q. Have you ever received money from Mr. Murphy to give him orders or contracts for goods or for materials that the department had no need of at the time?—A. Never. I could not have done so either.

Q. You could not have done so either?—A. No, sir.

Q. That is to say, that they paid you for favours that you could not confer, even if you had wished to?—A. Yes, sir.

By Mr. J. L. Perron, K.C.:

Q. You took money, though?—A. Yes, sir, I took money like a good Liberal, whose mind is made up. A Conservative presses him with a ten dollar (\$10); he goes to the poll to vote for his party all the same. My mind was made up to do right.

By Mr. Marc-Aurèle Lemieux, counsel for the witness:

Q. As a matter of fact, you often worked outside of your regular employment, in the evening and otherwise, for Murphy?—A. Yes, sir, often I went without my dinner to receive his goods. In the evening, after my working hours, I have received his goods.

Q. Have you ever had discussions with him on the subject of the cement that you sent back to him, or the wood that he wished to have you take and that you would not accept?—A. I would say, not himself, but his clerk.

Q. With him, or his people, you have had difficulties?—A. Yes, sir.

Q. As an employee of the Marine Department, is it not true that in a great number of instances you have done work that you were not obliged to do, and that you did it of your own will, as a good employee and in the interest of the department?—A. Yes, sir.

Q. Among other things, you dived for the *Bavarian*?—A. No, not for the *Bavarian*. A small cable had caught in the propellor of the *Lady Grey*. This vessel had to go to the *Bavarian*, off the Ile aux Grues.

Q. Have you ever ordered repairs that were not necessary, with the idea of having a bonus or perquisite?—A. No, sir, never.

Q. Not of Mr. Drolet or any one else?—A. No, never.

Q. Outside of the department, have you ever worked for others, who have compensated you?—A. Yes, sir.

Q. Is it not true that you worked on board the *Sardinian* when the soldiers went away; and what did the captain give you?—A. Captain Barclay gave me \$75. Andrew Allan gave me a present. Walter Spons, of the company that raised the *Bavarian*, made me a present.

Q. That was not the money of the government?—A. I do not want the money of the government.

Q. Now, mention was made this morning of two plates that they offered you from the house of Drolet (Beauchemin's evidence). Explain in what manner these plates came to the Marine Department, and tell us in what manner you refused one?—A. To begin with, it was a cast plate, six feet square.

Q. What is each plate worth?—A. They are worth \$200, \$228 each plate.

Q. What happened?—A. He presented me a double account for two plates. He told me that the first proved defective. It had been recast. According to my experience, they had taken the sand off the casting, which at contact with the air naturally twisted. A planer was required.

Q. No matter. It was defective?—A. He showed me two. He said, 'We have done a good deal of work on the other.'

Q. At all events, you refused it?—A. Yes, sir.

Q. You caused him to lose \$200?—A. Yes, sir, to him alone.

Cross-examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. When did you do that work for Mr. Drolet; do you remember?—A. No, sir, I do not remember.

Q. You are not able to state the day, the month, or the year?—A. It was three years ago, about two years and a half.

Q. It was in the autumn that you received the \$15 from Mr. Audibert?—A. I cannot tell you that either.

Q. How long a time was it—was it before or after that work—that you received the \$15 from Mr. Audibert?—A. It was after.

Q. How many months after?—A. I am not prepared to state, on my oath; perhaps five or six months; or three months. I did not notice.

Q. It was Mr. Audibert who gave you that money?—A. Yes, sir.

Q. Where did he give it to you?—A. In the office of the Marine Department.

Q. In your office at the Marine Department?—A. Yes, sir.

Q. Mr. Audibert arrived there, one morning; he took \$15, he gave it to you without saying anything, and you put it in your pocket?—A. No, sir. He said to me: ‘It is to recompense you for the work you have done for us, Gagné.’

Q. That is what he said to you?—A. Yes, sir.

Q. Now, do you keep a book of what you receive like that?—A. No, sir, never.

Q. So that it is impossible for you to state the amount that you received from Mr. Murphy; you do not know it?—A. No, sir.

Q. Were you always paid by Mr. Murphy?—A. No, sir; from time to time it was Mr. McNeil.

Q. Sometimes by Mr. McNeill, and from time to time by Mr. Murphy?—A. More frequently by Mr. Murphy; a couple of times by Mr. McNeil.

Q. Was it at the debut, the commencement?—A. No, sir.

Q. Were the first payments that you received from Mr. McNeil?—A. No, sir.

Q. The first payments were made to you by Mr. Murphy?—A. Yes, sir.

Q. What did Mr. Murphy say to you, when he gave you that money—when he presented you a cheque for the first time?—A. He called me to his office. He said, ‘Here Gagné, I give you that.’

Q. Why did he give it to you—that cheque?—A. Why? He said, ‘That is not the business of the government, nor of Mr. Gregory or others; it is I who make you a present; take that.’ I took it and put it in my pocket.

Q. What did he say the other time?—A. I never asked him why afterwards; when he presented me a cheque, I took it.

Q. You did not ask him why. You took the cheque and placed it in your pocket?—A. Yes, sir.

Q. Now, it was you, Mr. Gagné, who received all the wood and the cement that Mr. Murphy sold to the Marine Department?—A. No, sir, not all.

Q. A large part?—A. A part, not all.

Q. It was you who received the greater part of the wood and cement that Mr. Murphy sold to the Marine Department?—A. Yes, sir, it was I who received the greater part.

Q. It was you on whom the department would have to rely to see whether the wood was equal to order or not?—A. No, sir.

Q. It was not you who inspected the wood?—A. No, sir, I went to the chief office to report, and then it was classified there.

Q. It was you who reported to the agent whether the wood was right or not?—A. Yes, sir.

Q. That is to say, the agent or the department depended on you to know that Mr. Murphy delivered the wood that was entered on the bills?—A. Yes, sir.

Q. The same thing as to the cement, was it not?—A. Yes, sir, I think so

Q. Now all the other payments—some of them are rather heavy—I see one here, a payment of \$150?—A. I never had \$150 from Mr. Murphy. I swear that I never received more than \$50 in one payment.

Q. It is a cheque, Mr. Gagné, the cheque 1,240, dated the 8th of July, 1907, \$150.

Q. Show me the cheques that I endorsed. I will tell you all the cheques that I would have endorsed.

Q. You do not recall that cheque of \$150?—A. No, sir.

Q. In the month of July, 1907—you do not remember that cheque of \$150?—A. Do not tell me the month; I do not remember it. I will not tell you that I received a cheque from Mr. Murphy in the month of July or in the month of August; I do not know it; I do not recall it.

Q. I ask you if, in the summer of 1907, Mr. Murphy delivered wood and cement?—A. Not often.

Q. He delivered them?—A. Not often.

Q. Did difficulties occur at the time, relative to the delivery of wood sold by Mr. Murphy to the Marine Department?—A. I think not.

Q. You do not recall that?—A. I think not.

Q. How do you explain these payments of \$50 that he made to you; when he gave you \$50, what was it for?—A. It was perhaps as he said, ‘to try to put me in good humor,’ but it did not have that effect.

Q. At all events, you had no doubt, when you received \$50 from Mr. Murphy, that he gave it to you to put you in good humour?—A. I thought so, but my mind was made up.

Q. Your idea was this—(The counsel is interrupted by the witness.)

A. Ah, no.

Q. Wait, we are going to understand each other. You said to yourself, ‘Mr. Murphy gives me money to try to have me pass his “culls.” I will take his money but I will not pass his “culls.”’ That was what you said, was it not?—A. I laughed at him.

Q. You took his money, though?—A. Yes, sir. Inwardly I said, each time I took his money, ‘Poor fool, that will not improve your position at all.’

Q. At all events you had no doubt he wanted to buy you?—A. I am not ready to say that.

Q. He would have liked to grease you, to make things go well?—A. I am not ready to say that, either.

Q. What do you think yourself?—A. I don’t know what he thought.

Q. I speak of you; what do you think yourself?—A. The same as I said just now; he thought to improve his position; perhaps, as he said to you, to ‘put me in good humour.’ That did not succeed, because (with) the people who have the patronage I am never in good humour.

Q. You took their money and said to yourself, ‘So much the worse for them’?—A. I did not take ‘their money.’ I took the money of Mr. Murphy.

Q. You received it of Mr. Audibert as well?—A. No, sir, he paid me for what I did for Mr. Drolet.

Q. Did you send an account for that?—A. No, sir.

Q. You did not send an account to the house of Drolet?—A. No, sir. It was understood with him that he should recompense me.

Q. Was it understood with Mr. Audibert that he must give you \$15 for your work?—A. He did not tell me how much. He said to me, ‘Do this work, and I will recompense you.’

Q. You received money from no other persons?—A. No, sir.

Q. Did you put this money in the bank, the money from Mr. Murphy?—A. No, sir, I have no bank account.

Q. You paid your debts?—A. I did—

Q. What you liked?—A. Yes, sir, I am not ready to say I put it here and there, when I put it elsewhere.

Q. Now, did you tell Mr. Gregory that you received money from Mr. Murphy?—
A. No, sir.

Q. You did not inform your superiors that you received money from Mr. Murphy, or that he wanted to put you in good humour?—A. No, sir.

Re-examined by Mr. Marc-Aurèle Lemieux.

Q. You never spoke about it to any one, and no one to you, except Mr. Murphy and you?—A. Yes, sir.

Q. Now you several times met Mr. Murphy coming down from the Garrison Club, he was more 'flush,' more generous, than usual; is it on these occasions that he pressed a \$5 on you?—A. Yes, sir, it was at those times.

Q. When you bought wood, cement or brick, from Mr. Murphy, it was to send down the river?—A. Yes, sir.

Q. You could not accept goods of inferior quality and quantity, because you were checked by the engineer of the vessel; you were checked by two men, after you?—A. Yes, sir.

Q. Consequently you could not show any favours to Mr. Murphy?—A. No, sir, there had to be a list to go on board the vessel. When the list was made, I handed it to the chief officer of the vessel.

Q. It was he who then checked you?—A. Yes, sir, I made a list for myself, one for the office and one for the chief engineer of the vessel.

Q. Then there were three to check?—A. Yes, sir.

And further this deponent sayeth not.

This 12th day of November, 1908, at half past 2 p.m., Eloi Nolet, engineer, of the city of Quebec, appears before the Hon. W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. Marc-Aurèle Lemieux, his counsel.

Q. Three years ago, you received \$70 in various sums, from Mr. Audibert?—A. How?

Q. Three years ago you received the sum of \$70 in various amounts from Mr. Audibert?—A. Yes, sir.

Q. Is it not true that three years ago you did not work for the Marine Department, but that you worked for Captain Erwin?—A. Yes, sir.

Q. It was Captain Erwin who paid you?—A. Yes, sir.

Q. You had nothing to do with the Marine Department three years ago?—A. No, sir.

Q. You have not received money from Mr. Audibert since you have been in the employ of the Marine Department?—A. No, sir.

Q. You have been suspended; and you have received nothing from Mr. Audibert since you have been with the Marine Department?—A. No, sir. I have received nothing.

Cross examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. What is your occupation?—A. What occupation do you follow?—A. I am a journeyman at the shop.

Q. For how long a time have you worked for the Marine Department?—A. Since the month of July.

Q. Since the month of July, last year?—A. Yes, sir.

Q. You say that the \$70 were received by you the 11th April, 1904?—A. Not all together.

Q. In what amounts did you receive this sum of \$70 from Mr. Audibert?—A. I received \$10 and \$5 up to \$70.

Q. You received from Mr. Audibert different amounts of \$10 and \$5 to a total sum of \$70?—A. Yes, sir.

Q. What were the dates on which you received these various amounts?—A. I did not keep the dates.

Q. You were, at the time, engineer on board the vessel *Red Island*?—A. Yes, sir.

Q. Chief engineer?—A. Yes, sir.

Q. What salary did you have?—A. A salary of \$45 per month.

Q. You were in the employ of Captain Erwin?—A. Yes, sir.

Q. If I understand correctly, Captain Erwin had a contract with the Marine Department?—A. Yes, sir.

Q. To keep the light ship there?—A. Yes, sir. There is a certain fixed sum per annum.

Q. Then he engages his men?—A. Yes, sir, he engages his men.

Q. He engaged you as engineer?—A. Yes, sir.

Q. There were repairs that had to be done to that vessel?—A. Yes, sir.

Q. It was Mr. Drolet who did them?—A. Yes, sir.

Q. It was you who inspected these repairs?—A. No, sir, it was the inspectors of the Marine Department, who came to see the work that had to be done.

Q. The inspectors of the Marine Department?—A. Yes, sir. The inspectors of the Marine Department.

Q. It was they who sent the work that had to be done to Mr. Drolet's shop?—A. Yes, sir.

Q. It was you who had asked for repairs?—A. They asked me what repairs had to be done. I gave them the repairs that had to be done.

Q. The officers of the Marine Department consulted you, to know what were the repairs that had to be made?—A. Yes, sir.

Q. You made them a list of the repairs required?—A. Yes, sir, I made them a list. Then they took it to Mr. Drolet.

Q. The officers of the department ordered the repairs at Mr. Drolet's?—A. Yes, sir.

Q. They were repairs for which the government paid?—A. Yes, sir.

Q. It was Mr. Audibert himself who paid you the amount of \$70 at different times?—A. Yes, sir.

Q. Did he pay you by cheques?—A. No, sir, in cash.

Q. He paid you by five dollars (\$5) and by ten dollars (\$10)?—A. Yes, sir.

Q. Where were you when you received these moneys from Mr. Audibert?—A. I was on board the vessel.

Q. You were on board the vessel?—A. Yes, sir.

Q. The vessel under the command of Captain Erwin?—A. Yes, sir.

Q. You say that you were yourself under the command of Captain Erwin?—A. Yes, sir, I was employed by him.

Q. The vessel was at Quebec?—A. Yes, sir.

Q. You were preparing to go down the river?—A. Yes, sir.

Q. The repairs were completed, I suppose?—A. Ah, yes.

Q. The repairs were finished, Mr. Audibert went to see you, and he asked you how the repairs were?—A. Yes, sir, he asked how were the repairs.

Q. You said it was all right?—A. Yes, sir.

Q. You said to Mr. Audibert that the repairs were well done?—A. Yes, sir.

Q. And he gave you ten dollars (\$10)?—A. Yes, sir.

Q. That is all he gave you at that time?—A. Yes, sir.

Q. That was the first ten dollars (\$10)?—A. Yes, sir.

Q. Now, let us take the other sums. As to the first ten dollars, you have just said how it took place. You were on board your vessel, you were getting ready to go down the river, and Mr. Audibert went to you and gave you \$10. For the other payments it was the same, I suppose. They were made under like circumstances?—A. Yes, sir, it was done the same way.

Q. The repairs were finished, Mr. Audibert went to ask you how they were, you said they were all right, and he gave you \$10—A. Yes, sir.

Re-examined by Mr. Marc Aurèle Lemieux.

Q. You had an agreement yourself with the government?—A. No, sir.

Q. If Captain Erwin did not pay you, you would have had no right to go to the government for your pay?—A. No, sir.

Q. You have said Mr. Audibert paid you in cash?—A. Yes, sir, secretly.

Q. He did the 'flush.' Had you done him favours for that?—A. No, sir.

Q. Did you do anything to the detriment of the government?—A. No, sir.

Q. Did you ask him for money?—A. No, sir.

Q. Did you afterwards give him any?—A. No, sir, never.

Q. He placed the money in your pocket, and you were smart enough to keep it?—A. Yes, sir.

Cross-examined on the re-examination by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. You did not notify Captain Erwin of the moneys given to you by Mr. Audibert?—A. No, sir.

Q. You never spoke of it to anyone?—A. No, sir.

Q. And Mr. Audibert promised you it would not come out?—A. He did not tell me that.

Q. You did not expect it would come out either?—A. No, sir.

And further this deponent sayeth not.

This thirteenth day of November, 1908, Louis Marois appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. PERRON, K.C., one of the Counsel assisting the Commissioner.

Q. You are member of the firm of Marois & Charland?—A. I was, but he died in 1906.

Q. You have done business with the Marine Department?—A. Yes, sir.

Q. What was it that you sold?—A. Vegetables, fruits, poultry, maple sugar.

Q. To put on board the vessels?—A. Yes, sir.

Q. From whom did the orders come?—A. It was the stewards whom came for the supplies.

Q. You sold to the department to the extent of \$10,000 during four years?—A. No, sir, not so much as that.

Q. \$5,000?—A. Yes, sir, possibly, but I cannot swear.

Q. How did you arrange that with the stewards?—A. I gave the goods that they asked for.

Q. You paid nothing to the stewards?—A. No, sir.

Q. You never paid anything to any one employed by the Marine Department?—A. No, sir, except sometimes, when they were short a dollar or two for the goods and had no orders. I supplied them just the same.

Q. Have you paid anything to Mr. Gregory?—A. No, sir, nothing at all.

Q. You do business with Mr. Gregory, do you not?—A. Yes, sir.

Q. The amount of the account, that he has paid you, was \$166.22?—A. Yes, sir.

Q. How much did he owe you?—A. That was what he owed me.

Q. You took nothing off for him?—A. No, sir.

Q. He had to give way?—A. I was not going to give him a commission.

Q. Did he speak to you of a commission?—A. He did not speak to me of a commission.

Q. He wanted to have a reduction off his account?—A. Yes, sir, but I was not willing.

Q. You said 'no.' He did not succeed with you?—A. No, sir.

Q. You were independent?—A. I took nothing off, at all events.

This thirteenth day of November, 1908, Hortiste Derome, provision merchant, of the city of Quebec, appears before the Honourable W. G. P. CASSELS, Commissioner, to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. PERRON, K.C., one of the Counsel assisting the Commissioner.

Q. You have sold to the Marine Department for a somewhat considerable amount, eight or nine thousand dollars?—A. Yes, sir, about that.

Q. What are the goods you sold to the Marine Department?—A. I have sold eggs, potatoes, fish, provisions.

Q. To put aboard the vessels?—A. Yes, sir.

Q. Who gave the orders?—A. I may say the orders were generally brought by a young man, who came from the office with them.

Q. You sold at the retail price?—A. Yes, sir.

Q. Even a little higher?—A. No, sir. These are not lines with which much can be done.

Q. Now, you were obliged to give something to the Captain of the vessels?—A. No, sir, I thank you.

Q. You gave nothing to the captains of the vessels?—A. No, sir.

Q. You gave nothing to any of the employees of the Marine Department?—A. No, sir.

Q. You had nothing to do with Mr. Gregory?—A. No, sir.

Q. Have you transacted any business with him?—A. I borrowed \$500 from him.

Q. Last year?—A. Yes, sir.

Q. On your account, due to you by the department?—A. I had about \$200 due to me by the department, at that time. He charged me \$10 for five months for \$500.

Q. And you took the account due to you by the department to Mr. Gregory?—A. Yes, sir.

Q. You gave a power of attorney to Mr. Gregory to receive your money from the department?—A. Yes, sir.

Q. Did Mr. Gregory buy of you?—A. Yes, sir, he bought, from time to time.

Q. At what price did you sell to him?—A. I sold to him the same as to the department.

Q. Have you been paid your account in full by Mr. Gregory?—A. No, sir, there is a small difference of \$15 to \$20. He asked me that, to settle, to finish a transaction.

Q. When you went to settle with him he had owed you for some time?—A. For four years.

Q. When did you settle with him?—A. I settled with him this year.

Q. And that made four years that you did not have a cent from him?—A. Yes, sir.

Q. How much did his account come to?—A. \$178.

Q. When you went to settle with him, after having waited for four years, he forced you to allow him a discount?—A. He did not force me because, at the time, he was suspended.

Q. How much did you deduct from his account?—A. I took off some \$20 dollars.

Cross-examined by Mr. Choquette, K.C., Counsel for Mr. J. U. Gregory:

Q. You borrowed \$500 last year from Mr. Gregory?—A. Yes, sir.

Q. And when you asked him for that, you only had \$200 of accounts due to you by the department?—A. Yes, sir.

And further than this deponent sayeth not.

This thirteenth day of November, 1908, Napoleon Gignac, timber merchant, of the city of Quebec, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. You have sold wood to the Marine Department?—A. Yes, sir.

Q. You sold to it for \$8,000 or rather, for \$11,000 since 1904?—A. Yes, sir.

Q. Is it a wholesale and retail trade that you carry on?—A. It is a retail trade but when we are able to sell wholesale we do so.

Q. The Marine Department must have been a large customer for you?—A. It was a customer of the usual kind.

Q. You have many customers who buy of your house for \$4,000 a year?—A. Yes, sir, I certainly have several.

Q. You do a large trade in that case?—A. Certainly.

Q. Then so much the better. Now, at what price did you sell to the government; the retail price or the wholesale price?—A. The price at which I sold to the government? The department has a list that we supplied, a list of retail prices, a list of all the prices for the wood of the first class and the second class.

Q. Have you added something to your list of retail prices to provide for contingencies?—A. No, sir, not at all.

Q. With whom did you transact business? With the employees of the department?—A. With all the employees. They sent orders to Gignac, Béland & Company.

Q. How much did it cost you to do business with the Marine Department?—A. Nothing at all.

Q. Not a cent to anyone?—A. No, sir.

Q. Not a cent to anyone of the employees of the department.—A. No, sir, not one.

Q. Not a little something?—A. Nothing, not even to the vicar's wife.

Q. From time to time; nothing, nothing?—A. Nothing, nothing; perhaps a glass of beer.

Q. You were not willing to give anything?—A. No, sir, I would not; and no one asked me, either.

Q. In that case, your virtue has not been tempted?—A. No, sir.

Q. Have you given anything to Mr. Gregory?—A. No, sir.

Q. Have you had business with him?—A. Yes, sir.

Q. Have you borrowed money from Mr. Gregory?—A. No, sir.

Q. What business have you done with Mr. Gregory?—A. I furnished wood for his hotel at La Rivière Ouelle.

Q. When was that?—A. I am not able to say exactly. My books are with the court here.

Q. How much wood have you furnished to Mr. Gregory?—A. Five or six hundred dollars or seven hundred dollars. I do not know.

Q. At what price did you sell the wood?—A. I sold it at the usual price.

Q. How much did you take off for the discount?—A. That is to say, when he offered to settle with me, on an amount of \$300 or \$400 of wood, that he had bought, I was afraid of his not settling with me. He made me an offer and I settled at once.

Q. You sold wood to the Marine Department, and you sold wood also to Mr. Gregory?—A. Yes, sir.

Q. Are the prices for the wood that you sold him for his hotel at La Rivière Ouelle, the prices that you charged to Mr. Gregory, the same as those that you charged the Marine Department for the same goods?—A. Yes, sir, absolutely.

Q. You shipped the wood to Mr. Gregory for his hotel at La Rivière Ouelle?—A. Yes, sir.

Q. And you had fear of not being paid by Mr. Gregory?—A. Yes, sir they told me he was a slow pay.

Q. Who told you so, that he was a slow pay?—A. I do not remember.

Q. It was known at Quebec that he was a slow pay?—A. I do not know. They told me so.

Q. Who told you so?—A. I don't know the names.

Q. They were customers, people who sold to the department, who told you that?—A. I do not remember. I know that I had been told he was a slow pay.

Q. You knew that he was a rich man?—A. Yes, sir.

Q. You knew that on proceeding against him you would have no trouble in getting paid by him?—A. I may state that to proceed against anyone for an order is what we have never yet done.

Q. Now, he had you sent for to his office to settle with you?—A. Yes, sir.

Q. After having sent him your account?—A. Yes, sir.

Q. Your account was for how much?—A. I am unable to tell you; two or three hundred dollars, four hundred dollars, perhaps.

Q. Mr. Gregory gave you how much on it?—A. I may have made him a reduction of \$25, \$30 or \$40, I am not able to say.

Q. Why make him a reduction?—A. It was to have it settled.

Q. Because you were afraid of not being paid?—A. That is to say I was afraid it would stand too long.

Q. Apart from that, you did not wish to dispute with him; you wanted to retain your patronage?—A. Absolutely, I did not want to have words with him.

Q. Without that you would have had a dispute with him, and you did not wish it?—A. Yes, sir. We had already had one and I did not want it.

And further this deponent sayeth not.

This thirteenth day of November, 1908, Adolphe Huot, plumber, of the city of Quebec, appears before the Honourable W.G.P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

A. As you say, you do not keep books?—A. My clerk keeps the books.

Q. You are a plumber?—A. Yes, sir.

Q. You have done considerable work for the Marine Department?—A. Yes, sir, rather.

Q. You have done work for \$13,000 in three years;—\$13,500?—A. I am not able to tell the exact amount.

Q. Where did you do the work?—A. How.

Q. I ask you where you did the work?—A. I did it on board the *Montcalm*, on board the *Druid*, on board the *Arctic*, a little on different construction works.

Q. It was work by the day?—A. Yes, sir.

Q. All by day work?—A. No, sir, not all.

Q. But greater part was by the day?—A. Yes, sir.

Q. Who gave you the work?—A. It was Mr. Gregory, in part.

Q. Mr. Gregory only?—A. Pardon! I often had it from Mr. Koenig.

Q. You had it from Mr. Koenig. After that?—A. They were about all, I think.

Q. Were they all, or were there others?—A. Orders came together, I am not sure from whom.

Q. Who looked after the work for the department?—A. Generally it was the engineers, when we worked on board the vessels.

Q. Which engineers?—A. Mr. Paul Bolduc was one; we did not usually have much to do with him.

Q. Now, who were the persons to whom you paid money?—A. I paid none to any one.

Q. Not a cent to any one at all?—A. No, sir; not on the vessels.

Q. To whom have you paid outside the vessels?—A. I gave nothing outside the vessels either.

Q. You paid no money to any one?—A. No, sir.

Q. You gave no money to Mr. Paul Bolduc?—A. No, sir.

Q. Nor to Captain Koenig?—A. I once lent money to Captain Koenig.

Q. How much did you lend him?—A. I lent him thirty or forty dollars. He left to go after one of the vessels. He took his wife with him.

Q. You lent \$40 to Captain Koenig, when he left to go over for the *Montcalm*; the same day that he borrowed \$40 from Mr. C. Coté he borrowed the same amount from you?—A. I know that he borrowed thirty or forty dollars from me; I do not know that he borrowed \$40 from Mr. Coté.

Q. And he has not yet returned you that amount?—A. No, sir, but I think it will be returned.

Q. How many years have passed since that?—A. When he left, it was for the *Lady Grey*.

Q. That was six or seven years ago?—A. No, sir, not so much as that.

Q. It was four years?—A. I am not able to tell you.

Q. At all events, it was a good long time ago?—A. I cannot tell you when it was.

Q. Have you asked him since to repay you that sum?—A. I had no occasion to.

Q. You have met Captain Koenig since that occurrence?—A. Yes, sir.

Q. You have even met him frequently?—A. Yes, sir. I believe that he will pay me. I let it stand in the meantime.

Q. Why do you leave it stand like that?—A. You know what it is—

Q. I wish to know why. Answer quickly; we have no time to lose?—A. One does not care to be rude when people are having work done.

Q. Then, Koenig borrowing \$40 from you, you would consider it a great rudeness to him to ask for the return of the money?—A. Well, he does not think of it.

Q. You think it would be such a rudeness, I suppose, that you might be given no work on board the *Montcalm*; is that it?—A. I do not know; all the same I have not asked him. I always hoped he would return it.

Q. That loan has all the appearance of a bonus in disguise?—A. No, sir, I take it to be all right.

Q. Only, you observe that considerable work was done on the *Montcalm* after that time; is that not so?—A. Not much.

Q. Captain Koenig certified your accounts?—A. Very few.

Q. He certified them, and you never had any difficulty with him?—A. Like the others.

Q. It went well, did it not? (The witness does not reply).

Q. Have you lent money to others besides Mr. Koenig?—A. Yes, sir, I lent to Captain Bélanger.

Q. Were you a banker?—A. No, sir.

Q. You seem to lend pretty freely, for a man who is not a banker. How much did you lend to Captain Bélanger?—A. I am not able to tell you exactly.

Q. \$100?—A. No, sir.

Q. \$50?—A. I think it was \$40.

Q. \$40, that is the rate?—A. It is about \$40 that I lent him.

Q. It seems to me that \$40 is about the rate of your loans. When did you lend that to Captain Bélanger?—A. I am not able to tell you exactly.

Q. Three years, four years, five years?—A. Not so long ago as that

Q. Is it three years?—A. I do not exactly remember.

Q. He has not returned it to you?—A. No, sir.

Q. You patiently wait until it suits him to repay that sum?—A. Yes, sir.

Q. You have no fear of insulting him?—A. No, sir; besides, he promised me to return it.

Q. You have done considerable repairs for him?—A. No, sir, not much.

Q. He has certified accounts for you?—A. Like the others.

Q. You have had no trouble with him?—A. No, sir, I have had no trouble.

Q. Apart from Captain Bélanger to whom, now, have you lent money?—A. I do not remember.

Q. Have you lent to Paul Bolduc—a little?—A. I have lent him a few dollars—to Paul Bolduc—I have lent him \$5.

Q. That is below the rate, that one; it is less than \$40; and he has not returned you the money either?—A. No, sir, he has not returned it.

Q. Are there others to whom you have lent money? You see this takes time, and it is you who suffer, it is not I—are there still others to whom you have lent money?—A. I have lent to Mr. Beauchemin as well.

Q. Albert Beauchemin?—A. Yes, sir.

Q. How much have you lent him—Albert Beauchemin?—A. I think it must be \$200.

Q. When did you lend \$200 to Albert Beauchemin? Was it last year?—A. No, sir, it was not last year.

Q. At what period did you make this loan?—A. I cannot tell you; two years ago, two years and a half.

Q. He did not return it to you?—A. Yes, sir.

Q. When was it that he returned it?—A. He returned it to me recently.

Q. Well, again, when was it?—A. Yesterday. The day before yesterday.

Q. Since the enquiry began?—A. Yes, sir. He has returned it at all events.

Q. He returned you that sum since the enquiry commenced?—A. Yes, sir.

Q. When did he come to repay the \$200. You are going to profit by this enquiry; it is a good thing for you. When were the \$200 repaid you?—A. As I told you, yesterday, or the day before.

Q. What was it that he gave you?—A. It was a note.

Q. He gave you a note. When was that?—A. Not a note; a cheque.

Q. Are there funds for the cheque?—A. I do not know if there are.

Q. And he said to you: Wait awhile before presenting it at the bank?—A. No, sir, he did not speak of it to me.

Q. Have you deposited that cheque in the bank?—A. No, sir.

Q. What are you waiting for?—A. I am waiting to have the money.

Q. He is going to give you money for the cheque?—A. No, sir.

Q. What does that mean, that you are waiting to have the money?—A. His money is at Sorel, I suppose.

Q. Have you deposited the cheque in the bank?—A. No, sir.

Q. Why have you not deposited it?—A. I have sent it to have the money.

Q. Where have you sent it?—A. I have sent it to Sorel.

Q. When did you send it—to-day?—A. No, sir, the day before yesterday.

Q. When did you receive the cheque from Mr. Beauchemin?—A. Recently.

Q. Which day?—A. The day before yesterday, I think.

Q. The day that he gave evidence here?—A. I do not know what day he gave evidence.

Q. What did he say when he gave you the cheque? Repeat his words?—A. He came to pay me. He said, 'I owe you so much, I come to pay you, I will not have it said that I have not paid you.'

Q. When you lent him that money, it was because he was superintendent of the St. Lawrence channel, was it not?—A. Certainly, he was on board.

Q. It was he who asked you for the money?—A. He asked me to render him that service, to lend him the money.

Q. You had need of him, I suppose?—A. No, sir.

Q. You had no need of him, for orders?—A. No, sir.

Q. Why did you lend him that \$200?—A. I lent it to him because he asked me.

Q. You lent money to all who asked for a loan?—A. When some one is in the line—he asks a little favour, one does it.

Q. It was to have orders, to be well treated, was it not?—A. No, sir, I cannot say that.

Q. Now, had you done business with Mr. Gregory?—A. Not much.

Q. Not at all?—A. No, sir, not much.

Q. Have you had any business affairs with Mr. Gregory?—A. I have had in this way—

Q. Will you tell me, yes or no, have you had any business with Mr. Gregory?—A. Yes, sir.

Q. Why do you say, not much? You had business with Mr. Gregory?—A. Yes, sir.

Q. What is it that you have done with him?—A. I at one time wanted to ask him for a little service; I had need of a couple of hundred dollars and he gave an order to the bank to lend it to me.

Q. He telephoned to the bank to let you have a couple of hundred dollars?—A. Yes, sir.

Q. He charged you for that?—A. Yes, sir.

Q. How much did he charge you?—A. I do not know at all. It was the bank that charged.

Q. You do not know at all how much that cost you?—A. No, sir, I did not see the figures for it.

Q. Who arranged it for him?—A. It was the Banque du Peuple.

Q. The People's Bank of Halifax?—A. Yes, sir.

Q. How much did you receive on your \$200?—A. I borrowed the \$200.

Q. How much did you pay for the \$200?—A. I cannot say how much they charged.

Q. \$25?—A. I think not.

Q. You do not know?—A. No, sir, I am not able to tell you.

Q. The bank retained it and gave it to Mr. Gregory?—A. I do not know.

Q. Have you not the least idea of it?—A. No, sir.

Q. Was that the only sum you borrowed of him?—A. I had need of money twice like that.

Q. And each time it was the same thing; you paid something, you do not know how much?—A. No, sir.

Q. Have you paid anything else to Mr. Gregory?—A. No, sir.

Q. Have you done any work for him personally?—A. No, sir, the two of us did not agree well enough for that.

Q. You were not on good terms with him?—A. No, sir.

Q. Now, were there other persons to whom you lent money and whom you have not yet named?—A. I do not remember any.

Q. You swear that you do not remember any?—A. No, sir, I do not remember any.

Q. You swear that you do not recall the names of the persons to whom you have lent money, and whom you have not named to me. (The witness endeavouring to remember, replies.) A. Yes, sir, there is another, in fact, who borrowed money from me.

Q. Who was that?—A. It was Mr. Koenig, the younger, who was on the *Arctic*.

Q. The son of Captain Koenig?—A. Yes, sir.

Q. How much did you lend that one?—A. I believe it was \$40.

Q. \$40; that is really your figure. This sum has not yet been returned to you?—A. No, sir, not yet.

Q. You are waiting until he returns from the north?—A. I think he is going to repay me when he returns.

Q. When was it that you lent it to him?—A. It was last spring.

Q. You had no need of money to go to Hudson's bay. What was he doing on board the *Arctic*?—A. At the time he was engineer.

Q. It helped business, I suppose; it was no worse after that, the business?—A. It was no better, either.

Q. Or worse; it did no harm? (The witness does not answer.)

Q. It went no better and no worse?—A. It was always about the same.

Q. You gave \$40 to young Koenig to pass your accounts?—A. No, sir

Q. Why not? To have less trouble with him?—A. He asked me for it long before he left.

Q. In searching a little further there are no means of finding others still to whom you lent money?—A. No, sir.

Q. With a little good will, you are not able to discover others?—A. No, sir, that is quite correct.

Q. It is finished, there are no others. On your oath, there were no others?—A. No, sir.

Cross examined by Mr. Choquette, K.C., Counsel for Mr. J. U. Gregory.

Q. Then in two instances, you borrowed money from Mr. Gregory?—A. Yes, sir.

Q. On the money he lent you he charged you interest through the agency of the bank?—A. Yes, sir.

Q. He telephoned to the bank for you?—A. Yes, sir.

Q. You have borrowed \$200 of him on two occasions, have you not?—A. Yes, sir.

Q. He charged you interest through the agency of the bank purely and simply?—A. Yes, sir.

Q. It was you who asked him to lend you money?—A. Yes, sir.

Q. He lent it to you, and it was of service to you as well?—A. Yes, sir.

And further this deponent sayeth not.

This 13th day of November, 1908, JOSEPH ARTHUR MARIER, of the city of Quebec, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. PERRON, K.C., one of the Counsel of the Royal Commission.

Q. You are one of the members of the firm of Marier & Tremblay?—A. Yes, sir.

Q. What is the nature of your business?—A. Painters, decorators and gilders.

Q. You have done work for the Marine Department?—A. Yes, sir.

Q. By day work and by tender?—A. Scarcely anything by day work, mostly by tender.

Q. What amount of work have you done by the day?—A. Nearly two-thirds were by tender.

Q. And a third by the day?—A. Yes, sir.

Q. Who are the officers of the department who ordered the work?—A. It was Mr. Gregory and, once, Captain S. Bélanger.

Q. And then?—A. That is all.

Q. Who inspected the work?—A. The work was inspected by the captains and officers of the different vessels. It was, in one instance, by Captain Bélanger. I cannot say who, on other occasions, were those who inspected the work. I worked on board the vessels. It must have been the captains or the officers.

Q. Can you recall their names?—A. Absolutely no.

Q. Their names are not in your books?—A. No, sir, none.

Q. You did not enter such things in your books?—A. I had no business to enter that in my books.

Q. You did not enter on your books the payments you made to them?—A. I made absolutely none.

Q. Not a cent; you paid nothing to the captains?—A. No, sir.

Q. To those who inspected your work? You never gave a cent to any of them?—A. No, sir.

Q. You did business with Mr. Gregory, did you not?—A. Yes, sir, I did business with Mr. Gregory.

Q. Have you your books here?—A. My books? I have these fly leaves, which I produce with my evidence as Exhibit No. 225.

Q. What was the nature of the business you transacted with Mr. Gregory?—A. To go back to the year 1906, I had orders and did work for the Marine Department. In 1907 the amount of work that I did was larger. As I had need of money, I went to Mr. Gregory and asked him as a favour to advance me the sum due by the Marine Department.

Q. That amounted to how much, at the time; \$2,000, \$3,000?—A. It amounted to nearly \$2,500.

Q. And you paid 5 per cent on it?—A. Yes, sir, I paid 5 per cent interest.

Q. And he gave you drafts?—A. He paid me in money, and I gave my cheque for the interest.

Q. How are these cheques entered? Or rather, how is it entered on the stubs of these cheques?—A. I have no cheque stubs. These cheques were made by the Marine Department, and I took blank cheques. Here are the cheques that I have (the witness shows the counsel a package of cheques, which are produced as Exhibit No. 226). You can see that I have no cheque stubs. There are cheques also of La Banque Nationale. I struck out the words Banque Nationals and put in the words Banque d'Hochelaga.

Q. Here is a cheque of August 9, 1907, for the sum of \$20?—A. Yes, sir.

Q. Another cheque of July 4, 1907, for the sum of \$40?—A. Yes, sir.

Q. Another of June 12, 1907, for the sum of \$25?—A. Yes, sir.

Q. Another of the 11th of June, 1907, for the sum of \$30.—A. Yes, sir.

Q. Another dated the 18th of September, 1907, for the sum of \$15?—A. Yes, sir.

Q. Is that all you have paid to Mr. Gregory?—A. Yes, sir, that is all.

Q. That is equivalent, I suppose to 5 per cent?—A. Yes, sir. I think so. That is what I paid for interest 5 per cent.

Q. On your orders for the year 1907?—A. Yes, sir. Only, before that, I had orders and paid nothing.

Q. These cheques represent 5 per cent on the orders that you had for the year 1907 do they not?—A. I think so.

Q. How did you enter it in your books, this 5 per cent that you paid to Mr. Gregory?—A. I did not make entries of that in my books.

Q. Why?—A. I do not know why. At the time I had an accountant who did not do his duty.

Q. Have you been a year without an accountant?—A. Pardon. The accountant was replaced in the month of June or the month of July, 1908.

Q. You did not keep books during that time?—A. Yes, sir. Only the cash book was not kept.

Q. Nothing is entered on your books as to what concerns the 5 per cent commission that you paid to Mr. Gregory?—A. I did not conceal it. I have the cheques.

Q. Now you do painting also for Mr. Gregory?—A. Yes, sir, a little.

Q. You painted his numerous properties; that he had in Quebec?—A. The accounts were not numerous.

Q. He has numerous houses in Quebec. He has his private residence at St. Roch. Then he has a property on the rue St. Joseph—at all events you had an account against him; for how much?—A. I had an account to the amount of \$113.24.

Q. How did you settle that account?—A. There was \$55 in interest on the money that I borrowed of him. You can make the calculation. You will find the difference, the balance, in money that I received by a cheque. His account has been correctly settled. I have been paid correctly by him.

Q. At all events, he has lost nothing by you?—A. I have nothing to do with that. (The account of the witness against Mr. Gregory is produced as Exhibit No. 227.)

Cross-examined by Mr. Choquette, K.C., counsel for Mr. Gregory:

Q. Consequently you paid him 5 per cent on the moneys he advanced to you?—
A. Yes, sir.

Q. As you say, it was a favour that he did you?—A. Yes, sir; I wanted money. I could not get discount in my name. I could not get notes from the government, and I asked for it as a favour from Mr. Gregory.

Q. Mr. Gregory by advancing you the money, obliged you?—A. Yes, sir, certainly.
And further this deponent sayeth not.

This 13th day of November, 1908, Francois Xavier Gagnon appears before the Hon. W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

Examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. You have stated, outside the court, that you never paid a cent commission to any one?—A. No, sir, I have never paid commission to any one.

Q. You have sold for \$12,000 and have done work for \$2,000?—A. Yes, sir.

Q. Assuredly you had not had this amount of work and never paid anything to any of the employees?—A. Search for it.

Q. How is it that you sold as much as that to the department?—A. I had the patronage through the intervention of Senator Pelletier and Mr. Guillaume Bouchard of the Marché Findlay.

Q. What price did you charge to the department?—A. Always the price in the tender.

Q. Tenders were asked for?—A. Yes, sir. There were tenders every year.

Q. And you persist in saying that you never paid a cent to anyone?—A. No, sir, never.

And further this deponent sayeth not.

This thirteenth day of November, 1908, Joseph Emilie Drouin appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

Examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. You have your account books of the firm of Terreau & Racine?—A. I have the accounts of Mr. Gregory.

Q. Will you show them to me, if you please?—A. Yes, sir. (The witness gives the counsel two statements of account, written on fly leaves, which are produced in the inquiry as Exhibits Nos. 224 and 225.)

Q. In what year does this statement commence?—A. In 1902, here.

Q. The money that you received, in what year was it?—A. The 9th of December, 1903.

Q. How much was the account that time?—A. The account was for \$119.25.

Q. How much did you receive?—A. We received \$60.

Q. Why did you not receive \$119.25?—A. I am not aware why.

Q. It was not you who settled that account with Mr. Gregory?—A. No, sir, it was not I who settled the account with him.

Q. The account went on. And when did you receive money, next?—A. The 16th of June, 1905.

Q. Of an account that had been going on since 1902?—A. Yes, sir.

Q. Until the month of May, 1905. How much did you receive, that time?—A. The account was for \$46.40.

Q. You received how much?—A. We received \$25.

Q. Is it you who went to Mr. Gregory's to collect, that time?—A. No, sir.

Q. When did you next receive money?—A. The next time was the 20th of August, 1906.

Q. How much was the amount of the account?—A. The amount of the account was \$22.75.

Q. How much did you receive that time?—A. We received \$15.

Q. Was it you who settled that time with Mr. Gregory?—A. It was I who gave the receipts. It was not I who saw Mr. Gregory about the accounts.

Q. Who saw him?—A. I do not remember; some one from the firm.

Q. Those reductions were made to Mr. Gregory because he was employed by the Marine Department, and you were afraid of him?—A. My intention is to tell the truth.

Q. I know it. Why were those reductions made?—A. They told me those reductions were made—it was not I who settled with Mr. Gregory—for the reason that we could not get more.

Q. For what reason were you unable to get more?—A. I do not know that.

Q. Let us see. You know more than that, do you not? Every one knows you could have had more. Why did you not proceed against him? Is it not true that it was because Mr. Gregory was the marine agent?—A. I do not know the motives of those who settled with Mr. Gregory.

Q. But your own opinion?—A. My opinion on what?

Q. On what I have just asked you. I ask you, what was the reason that the firm did not press Mr. Gregory for payment of the full amount of his account?—A. I do not know.

Q. You swear that you do not know the reason?—A. I will not swear too much.

Q. You swear that you do not know it?—I swear to you that he said to me: (The witness is interrupted by the Counsel.)

Q. Who said that to you?—A. Mr. Racine.

Q. Mr. Racine, one of the partners?—A. Yes, sir.

Q. What was the firm's reason?—A. I do not know.

Q. What was it Mr. Racine said to you? Tell us?—A. It was not Mr. Racine who settled.

Q. I ask you, what are the reasons that Mr. Racine gave you for making the reductions on Mr. Gregory's account?—A. I am not able to tell you. It was Mr. Racine who made me make the reduction in the books.

Q. Did Mr. Racine speak to you about the reduction?—A. Yes, sir.

Q. What did he say to you on the subject?—A. That it was probably because they could not obtain more.

Q. I do not ask you for probability. What did Mr. Racine say to you?—A. I tell you what I know; it was probably because they were unable to get more.

Q. Let us continue the reductions. On what date was the third payment made?—A. It was made on November 2, 1906.

Q. What was the amount of the account on that date?—A. The amount of the account was \$150. We received \$110.

Q. That went better than usual?—A. I suppose so.

Q. Then?—A. There has been no settlement since. The account is not very large.

Q. What is the amount?—A. The amount is about \$40.

Q. Have you tried to collect it?—A. No, sir, we have not tried.

And further this deponent sayeth not.

This thirteenth day of the month of November, 1908, Archange Racine appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements re the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. You are one of the members of the firm of Terreau & Racine?—A. Yes, sir.

Q. You are a dealer in castings, you are an iron founder?—A. Yes, sir.

Q. The partnership has existed for some time?—A. Yes, sir.

Q. You have done considerable business with the Marine Department since 1904?

—A. Not a large amount.

Q. \$12,000 is not bad?—A. I do not find that much. We have larger customers than that.

Q. Is it by contract that you have supplied the Marine Department?—A. No, sir. It is the castings that we sell, it is the castings that we make here. There are no contracts.

Q. Who gives the orders?—A. It is Mr. Gregory, of the Marine Department, who gives us the orders.

Q. Could you not have been able to secure a few more orders than that?—A. I have never been to solicit orders.

Q. And then, did you also borrow money of Mr. Gregory?—A. No, sir, never.

Q. Did you lend money to any one; to the employees of the department?—A. No, sir.

Q. You did no business with the employees of the department?—A. No, sir.

Q. I understand that Mr. Gregory had a personal account at your store; he bought of you?—A. Yes, sir.

Q. For considerable amounts?—A. Not for large amounts.

Q. How much; what amounts?—A. The clerk can tell you that better than I.

Q. Has Mr. Gregory paid you the accounts that he owed you?—A. He has paid a little; he was a slow pay. We were afraid of not being paid. We dared not push him too much. He paid as he liked. He made a reduction himself.

Q. We will take that in detail. You say that Mr. Gregory was a slow pay?—A. Yes, sir, we did not dare to press him too much.

Q. You went to collect, and there was no result?—A. The clerk went to him and the clerk returned with empty hands. We dared not force him.

Q. Why did you not force him to pay? You feared orders would not come?—A. It was not for that reason; it was not on account of the orders.

Q. Why did you not force him to pay?—A. He was an employee. We knew that he had means. We were not going to persecute him.

Q. Nevertheless, after several attempts you succeeded in getting a portion of those accounts paid?—A. Yes, sir, in a settlement.

Q. State how it was done. What settlement did you make with him?—A. On one account he kept \$50.

Q. And on the other account, what did he keep?—A. I do not know. The clerk will tell you.

Q. Why did he keep that?—A. He said to the clerk, 'I give you that; you will get no more.'

Q. He took advantage of his position not to pay your accounts in full?—A. Take it as you will.

Q. At the period when these reductions were made to Mr. Gregory, you knew he was a rich man?—A. I knew that he had the means to pay properly.

Q. You knew that in proceeding against him you would have been paid properly?—A. We never did it with any customers. The curés come to pay their church accounts, and they have reductions made.

Q. Do you place the curé in comparison with Mr. Gregory?—A. We were not willing to proceed against him. It was Mr. Cantin generally who went to settle accounts with him. He said to him, 'I give you no more than that.' He had to be satisfied with it.

Q. If you did not proceed against him, it was because you were unwilling to run the risk of losing the custom of the Marine Department?—A. Say that as much as you like.

Cross-examined by Mr. Choquette, K.C., counsel for Mr. J. U. Gregory.

Q. You do not say that yourself?—A. No, sir. It was not to offend Mr. Gregory. We do it with others as well; sometimes that happens.

And further this deponent sayeth not.

This thirteenth day of November, 1908, Jean Baptiste Laliberte, fur merchant, of the city of Quebec, appears before the Honourable W. G. P. CASSELS, Commissioner, to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Parron, K.C., one of the counsel assisting the Commissioner.

Q. You are a fur merchant at Quebec?—A. Yes, sir.

Q. For a large number of years?—A. Yes, sir.

Q. You have transacted considerable business with the Marine Department, from 1904 to 1907—for twelve thousand and some hundred dollars?—A. I believe so.

Q. What kind of business have you done with the Marine Department?—A. We have sold and manufactured all kinds of caps, hats, fur overcoats, all sorts of goods.

Q. You have generally sold in large quantities; you do not have small orders?—A. Yes, sir, we have a good many small orders.

Q. It depends, naturally on the interpretation you put on the word 'order,' we do not understand each other's meaning, as to a large order and a small order. I see that the smallest orders are for \$75 to \$100?—A. That is a small order.

Q. What do you consider a large order?—A. Twelve to fifteen thousand dollars.

Q. What I wish to ascertain from you is this; the principal orders that were given you were in 1904; will you state what those orders were?—A. They were either goods of fur or snowshoes that had to be sent by the *Arctic*.

Q. Were tenders asked for these goods?—A. I believe that prices were asked. In all cases the orders came direct from Ottawa. In every instance the orders came direct from Ottawa for all the goods we sold.

Q. Now, how much did the department pay for these goods?—A. It paid the retail price.

Q. The government paid the retail price?—A. Yes, sir, those goods were made in the manufactory of our house, for retail.

Q. Why?—A. Because they were goods very difficult to make. They were goods that any one could not make at the time, as it would be hard to find customers for them. They were moreover fur garments that had to be made.

Q. The goods bought of you by the department were not paid for at wholesale prices?—A. No, sir, these were not goods that were kept wholesale; they were goods that were only kept for retail and in our retail store.

Q. If a merchant instead of the Marine Department had, in 1904, purchased the goods bought by the government of your store, would you have charged him the retail price?—A. If he bought retail he would have been charged the retail price.

Q. If a merchant had bought as the Marine Department bought, in 1904, would you have sold to him at the retail price, or the wholesale?—A. I will tell you. We have two houses, separate from each other. We have a wholesale house and we have retail store. If we sell goods at retail in our wholesale house it would not be doing justice to our merchants.

Q. Does that mean, if I do not know your store, I do not know which door to enter; if I enter by the retail door, I pay the retail price, if I enter by the wholesale door you sell to me at the wholesale price? If the department did not know that,

it means that it must pay dearer for the goods you sold it?—A. We could not make those goods for wholesale. They were not goods that we were in the habit of making, and even the department did not know what was most required in those goods.

Q. Now, I see that a large number of accounts are certified by Captain Bélanger and Mr. O'Farrell; that is, accounts for goods delivered in 1904?—A. We write to Ottawa generally every winter, to ask for an order. The minister gives an order to Mr. Gregory, and Mr. Gregory gives us the orders. We prepare the goods in advance for the vessels as they arrive. The vessels remain a day or two, at Quebec, and we deliver the goods on board. On board the vessels they give us three accounts; the accounts are certified by the captain, and I believe they send one of the three accounts to Ottawa.

Q. Now had you a fund at your establishment, for the employees of the department?—A. No, sir.

Q. You made no exception for those who certified the accounts for the goods that you sold to the Marine Department?—A. No, sir.

Q. Have you paid commissions to any one?—A. No, sir, we could have contracts without paying commissions to any one whatever. As to the money the cheques came from Ottawa direct, and we could wait for the money.

Q. You were not obliged to pass by Mr. Gregory's counter?—A. No, sir.

And further deponent sayeth not.

This 13th day of November, 1908, Joseph Picard, manager of the Rock City Tobacco Company, of the city of Quebec, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. PERRON, K.C., one of the Counsel assisting the Commissioner.

Q. You are the manager and one of the principals interested in the Rock City Tobacco Company?—A. Not the principal, but I am interested.

Q. You were manager in 1904?—A. Yes, sir.

Q. And you have always been so from that time to the present?—A. Yes, sir.

Q. Are you not also interested in another company?—A. No, sir, not I personally. I am interested in the Rock City only.

Q. In 1904, you sold to the Marine Department for about \$1,000 and this year for about \$900?—A. Yes, sir.

Q. I would not have had you summoned, if I had not been informed that you had important revelations to make. You paid commissions it appears?—A. Oh, well, we have paid nothing. The business is perfectly open. We have paid no commissions and no one has asked us for any.

Q. I wish to go to the bottom of the matter. What have you sold to the department?—A. It is tobacco that we sold.

Q. You have sold tobacco; to be sent where?—A. To be put on the steamers.

Q. In 1904?—A. In 1904, and this year as well.

Q. Is it true that you sold the tobacco to a large amount even above the retail price?—A. No, sir, it is not true.

Q. At what rate did you sell the tobacco?—A. At the merchant's price. I had a list of prices and I sent it to the department and I have sold according to the price list.

Q. You persist in saying that you have not paid commissions on those orders?—A. No, sir.

Q. To no matter whom; not to any officer?—A. No, sir. I have had no business with any officer.

Q. You borrowed no money from Mr. Gregory?—A. No, sir.

Q. Have you paid commissions on subsequent orders?—A. It was only last year and we paid nothing. We had no business at all with the department.

Q. You paid no commission; nothing at all?—A. No, sir, nothing at all.

And further this deponent sayeth not.

This 13th day of November, 1908, J. M. Martineau, hardware merchant of the city of Quebec, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. PERRON, K.C., one of the Counsel assisting the Commissioner.

Q. You are the manager of the Compagnie Martineau, are you not?—A. Yes, sir.

Q. You carry on a large business?—A. Yes, sir.

Q. I understand that your company has sold to the Department of Marine and Fisheries for a rather large amount since 1904?—A. Yes, sir.

Q. An average of \$6,000 a year I presume?—A. I think so. I cannot tell you, I know that we have sold a good deal.

Q. The Marine Department must be your largest customer?—A. It was one of our largest customers; we had others as large.

Q. You had other customers as large as the Marine Department?—A. Yes, sir, we had customers as large.

Q. That does not prevent the department having been a very good customer of your company?—A. Yes, sir.

Q. Did you sell to the department at wholesale price, or at the retail price?—A. We sold at wholesale and retail.

Q. When did you sell at wholesale?—A. When it bought on a wholesale footing, we made arrangements. When it bought wholesale, we sold at the wholesale price. When it bought retail, we sold at the retail price.

Q. And then, what commissions did you pay?—A. Commissions to whom?

Q. Commissions to Mr. Gregory or others?—A. I paid no commission to anyone.

Q. Were you asked, or were you offered the means of facilitating the payment of commissions?—A. I will tell you truly, the first time I heard of that was at the court.

Q. You knew absolutely nothing about it before that?—A. No, sir.

Q. Then you never paid any commission to anyone?—A. No, sir, to no one.

Q. Had you an account with Mr. Gregory in your books?—A. Yes, sir, he bought of us.

Q. What became of that account?—A. What happened was that sometimes Mr. Gregory telephoned for his account. I said to the bookkeeper, 'When Mr. Gregory's account is ready, you will pass it over to me.' He did so; it was not for a large amount, and I made a reduction on the account without Mr. Gregory asking me. I naturally did so.

Q. It was in order to have the good graces of Mr. Gregory that you made him those reductions?—A. I never thought ill in doing that. We did it for other customers as well.

Q. How much did Mr. Gregory's accounts amount to?—A. I have not got them for every year. They were small accounts.

Q. You made a reduction of how much per cent?—A. Perhaps ten, fifteen or twenty per cent.

Q. Sometimes twenty and twenty-five per cent?—A. It was to round off the account. The reduction I made depended on the goods that he had bought. On the goods that paid well I could make reductions more readily. At all events, I never calculated the percentage that I took off for him. I tell you frankly I had often heard it said that to have the good favours of the department something must be done with the employees. I was not much disposed for that. It is certain, notwithstanding that we sold for large amounts we did not sell in proportion to what we should have done.

Q. Mr. Gregory could have sent you orders when he wished?—A. Yes, sir. When he asked for his account, I made a reduction to round it off.

Q. In order to give him pleasure, without doubt?—A. It is certain that it always was to give him pleasure.

Q. You were convinced that it would do you no harm as regards future orders?—A. I have stated that it did nothing at all.

Q. Only you were under the impression that it would do you no harm, as regards future orders?—A. Of course—

Q. And it is for that you did it?—A. No, sir, I cannot say that I did it with that intention.

Q. Were there other employees to whom you made reductions like that, other employees of the Marine Department?—A. No, sir, I do not recall any.

Q. On reflecting a little, might you not find others?—A. I think that Mr. O'Farrell had a very small account with us, last year, and I took off a dollar or two, to the best of my belief.

Q. George D. O'Farrell?—A. Yes, sir.

Q. Were there any others?—A. There were no others.

Q. You do not remember any?—A. I am certain that there were no others.

By the Hon. Mr. Cassels:

Q. I would like to know if the witness borrowed money of Mr. Gregory, for himself or for his company?—A. I have never borrowed a single cent from Mr. Gregory either for myself or for my company.

By Mr. J. L. Perron:

Q. You never had advances of money from Mr. Gregory?—A. No, sir, neither I or the company.

Cross-examined by Mr. Choquette, K.C., counsel for Mr. J. U. Gregory.

Q. You say that you have done that for other of your customers, that is on certain accounts they owed you took something off for them?—A. Certainly.

Q. Now, you are on the patronage list?—A. They told me that I was on the patronage list.

Q. You are one of the chiefs of the Liberal party in the district of Quebec, and you live in Sir Wilfrid Laurier's division?—A. Yes, sir.

Q. You are a good friend of Sir Wilfrid Laurier?—A. I am a great friend of Sir Wilfrid Laurier.

Q. Consequently, you had no need of the influence of Mr. Gregory to have the patronage of the Marine Department; you are a friend of the present government?—A. Yes, sir.

Q. You had the patronage without Mr. Gregory?—A. Yes, sir. As I have already stated, to hear what is said, naturally to have favours something must be done.

By Mr. Perron, K.C.:

Q. There must be 'greasing'?
(The witness does not reply.)

By Mr. Choquette:

Q. Has Mr. Gregory ever asked you a cent or favours?—A. No, sir, never. When Mr. Gregory telephoned me for his account, I had it prepared by the book-keeper. Then the book-keeper gave me Mr. Gregory's account, and I made the reduction of myself, without Mr. Gregory asking for it.

Q. And the reduction made, you asked Mr. Gregory for payment of the balance of the account?—A. Yes, sir.

Q. Therefore Mr. Gregory did not even know what was the amount of his account? (The witness does not reply.)

Q. Is it true that you have said this; when the book-keeper gave you Mr. Gregory's account, you took off a certain amount, of yourself, at your own place?—A. He gave me the account in detail, and I wrote, 'For reduction,' so much—

Q. And that, in Mr. Gregory's absence?—A. Yes, sir, in the absence of Mr. Gregory.

Q. And then you sent the account to Mr. Gregory for payment?—A. Yes, sir, I sent the account to Mr. Gregory.

Q. Consequently Mr. Gregory never asked you for a reduction; you made it of yourself, without his knowledge?—A. Yes, sir.

(Re examined by Mr. J. L. Perron, K.C.)

Q. When you made reductions for Mr. Gregory, you told me that it was because you found the orders did not come fast enough?—A. I did not say that.

Q. Did you not say to me that, well as you sold for large amounts to the Marine Department, you considered that you ought to sell still more?—A. Yes, sir I said that.

Q. Did you not tell me that in reducing Mr. Gregory's accounts, as you did, it would change the situation, it would help you to secure contracts?—A. I believed it might have assisted me, but it did not assist me.

Q. On your soul and conscience, is it not true that you reduced them because you had heard it said that 'grease' was necessary to get orders?—A. There are different ways of doing favours to persons. If Mr. Gregory had asked me for money, I would not have given it to him. If Mr. Gregory had not done business at our store naturally I would have made him no reduction. I made reductions for Mr. Gregory because he bought at the store; and to other customers, under the same conditions, I would have made a reduction as well.

And further this deponent sayeth not.

This 13th day of November, 1908, George Marchand, boilerworks, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. PERRON, K.C., one of the counsel assisting the Commissioner.

Q. What is your occupation?—A. I am a boiler worker.

Q. You are a boiler worker?—A. Yes, sir.

Q. You have been in business a great many years?—A. Yes, sir.

Q. You do considerable business in Quebec?—A. Yes, sir.

Q. Quite large?—A. Yes, sir, large enough.

Q. You were one of the sellers, one of the contractors, for the Marine Department?—A. Yes, sir. In 1904 and 1905, I worked on the boilers in the government steamers.

Q. On board what steamers did you work?—A. *La Canadienne*, and the two light-ships the *Red Island* and the *Anticosti*.

Q. Who asked you to do the work?—A. I went myself to Mr. Gregory.

Q. It was day work?—A. Yes, sir, it was work by the day.

Q. Not at fixed prices?—A. No, sir.

Q. None at all?—A. No, sir.

Q. It was Mr. Gregory who approved your accounts?—A. I had the accounts signed by the engineers.

Q. Who were the engineers on board those light ships?—A. I think that on board *La Canadienne* it was Mr. Roy, on board the *Anticosti* it was Mr. Emmanuel Filteau, and on board the *Red Island* it was one named Ouellet and one named Leblanc.

Q. These were the ones charged with looking after your work?—A. Yes, sir.

Q. To keep account of the men's time?—A. Yes, sir.

Q. You did work for over \$5,000 in 1904?—A. Yes, sir. In 1905 it was about \$2,800, I think.

Q. That was by the day?—A. Yes, sir.

Q. How much did you pay on it to the employees of the Marine Department?—A. I gave something to the engineers and that is all.

Q. You gave something to the engineers?—A. Yes, sir.

Q. To which engineers, to whom did you give something at first, in 1904?—

A. To Mr. Roy, to Mr. Filteau, to Mr. Ouellet and to Mr. Leblanc.

Q. How much did you give to each of them?—A. I do not know exactly. I may have given some ten or fifteen dollars to each.

Q. You did not give more than that?—A. I did not give more than that. I think not.

Q. When did you give that to them?—A. It was in 1905, when I had finished the work.

Q. After the accounts were signed and delivered at the office? When you had finished the work, the engineers certified your accounts, you took ten dollars and you gave it to each of them?—A. Yes, sir.

Q. To thank them for their kindness?—A. I had need of them for a little help in the work.

Q. Now, how much did you pay Mr. Gregory?—A. I passed my accounts there. I wanted money. He took 5 per cent.

Q. You paid 5 per cent to Mr. Gregory on the amount of the work you had done?—A. Yes, sir.

Q. You had drafts for that?—A. I have forgotten.

Q. It was in 1904 that you did most of the work?—A. In 1904 and 1905.

Q. In 1904 and in 1905?—A. Yes, sir.

Q. Did Mr. Gregory tell you that it would take time for the cheques to come from Ottawa?—A. It is I myself who asked him.

Q. Had you any idea of the time it would take for the cheques to come from Ottawa?—A. No, sir, I had no idea of that. The cheques came, I think, in two or three months.

Q. Do you know how long it was before your cheques were received from Ottawa?—A. No, sir, I never received them.

Q. You produced your accounts, at the office of the Marine Agency to Mr. Gregory, you received drafts, he took off five per cent and you have never heard anything of your accounts since?—A. He came to have them signed when they arrived from Ottawa; I do not remember how long it was afterwards.

Q. When you went to Mr. Gregory to ask for work, you discussed the question of accounts?—A. No, sir, not at all; it was so much per day.

Q. You had no trouble in getting your accounts certified?—A. I gave the time of the men and the cost of the materials.

Q. The engineers offered no objections?—A. No, sir, they signed.

Q. It went off like a runaway did it not, without any discussion?— (The witness does not reply.)

Q. Mr. Gregory did not condemn your accounts, either?—A. No, sir.

Q. Now, were those the only persons to whom you paid money, those you have just found?—A. I do not remember. There were no others; I think not.

Q. Are there any others?—A. I had no others, except Mr. Gregory and the engineers.

Q. Mr. Gregory and the engineers are the only ones to whom you paid money; you are quite positive of that?—A. Yes, sir, those are the only ones.

Q. How did you enter that in your books?—A. I do not keep books.

Cross-examined by Mr. Choquette, K.C., counsel for Mr. J. U. Gregory.

Q. The 9th of September, an account from you for \$36 was sent to Ottawa, and was only paid on the 10th of November; two months consequently, after sending it?—A. Yes, sir.

Q. An account for \$861.45, sent to Ottawa the 12th of April, was only paid on the 31st of July, three and a half months. Would you have been able to wait three months and a half to be paid?—A. I asked payment from Mr. Gregory, as I was in want of money.

Q. Now, here is another item, one of \$421.50, that was sent to Ottawa the 15th of April and only paid on the 21st of July, namely over three months after its being forwarded to Ottawa. Would you have been able to wait as long as that to be paid the account?—A. No, sir, I asked it of Mr. Gregory it was because I had need.

And further this deponent sayeth not.

This 13th day of November, 1908, Jean Drolet, butcher, of the city of Quebec, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give his evidence.

The witness is examined by Mr. J. L. Perron, one of the counsel assisting the Commissioner.

Q. You have done a rather considerable business with the Marine Department?—A. Rather so.

Q. Since one thousand nine hundred and four?—A. Since the Conservative government fell. I am a Liberal. Put it twelve years if you like.

Q. Now, you sold an average of how much a year to the Marine Department?—A. It was a little heavier in the summer; it was about five or six thousand dollars a year.

Q. You sold for five to six thousand dollars a year to the Department?—A. Yes, sir, these later years, perhaps more.

Q. It was Mr. Gregory who gave you the orders?—A. No, sir, I took government contracts, by tender.

Q. After advertisements in the newspapers?—A. Yes, sir.

Q. You had the contracts because your tender was the lowest?—A. One must think so; it was always that way.

Q. How much did it cost you to have these contracts?—A. Not a cent, I went to Ottawa occasionally. I spent \$25, \$50, sometimes \$100 to take a little glass of beer with friends.

Q. You paid nothing to Mr. Gregory?—A. Not a cent, either to him or any one else.

Q. You paid nothing to Mr. Gregory or to any one?—A. No, sir; more than that, I sold meat to Mr. Gregory and he has paid me to the last cent.

Q. You were not willing to allow him any discount?—A. No, sir, he was richer than I, and I knew he was able to pay. We often had our little arguments. I told him he was a 'peigne' (a comb). I furnished salt beef for the vessels. They paid \$9, \$10, up to \$11 per hundred to salt the beef. My contract called for \$16 a barrel and it was all choice beef that must be taken. He said: You have taken it for \$16; you

will supply it.' I said 'I will not supply it to the *Minto*; nothing but the choice cuts for \$16.' I said, 'I will sell it to you as it is.' At times I was not too mild, nor was he; we were of about the same disposition. The next day he said, 'Put it only on the *Minto*'.

Q. He told you you were a 'comb?'—A. It was I who told him that he was a 'comb,' to be so shabby about four dollars a hundred.

Q. Now, did you take anything off his account?—A. Not five cents.

Q. You did not charge him less than others for his meat?—A. Never; I charged him sixteen cents a pound. I let Captain Koeing have it for ten cents, but he was the only one.

Q. Why did you charge him only ten cents?—A. He was a grumbler. He bothered over a dollar; he wanted to get meat for eight cents; I charged him ten cents. He did not take much; a dollar or a dollar and a half a week. I let him have it at ten cents a pound.

Cross examined by Mr. Choquette, counsel for Mr. J. U. Gregory.

Q. You never borrowed money from Mr. Gregory?—A. No, sir, never a cent. He offered me some once, when the Jacques Cartier Bank stopped. The government owed me five or six thousand dollars—a large lump. I said, 'Try to get me the money.' He replied, 'You are in need of money?' I said, 'Yes.' He said, 'I will help you to get it at the People's Bank.' I was not well known at the banks. Consequently—(The witness is interrupted by the Honourable Mr. Cassels).

And further this deponent sayeth not.

This 13th day of November, 1908, Elie Amyot, fancy goods merchant, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. Have you your books, Mr. Amyot?—A. No, sir, I have no books.

Q. You have no books?—A. I have no books; I have had trouble for a year and a half, and have no books.

Q. You do not keep books, and you are in business in Quebec?—A. Yes, sir.

Q. As—merchant?—A. I am an agent, on commission.

Q. You were in business in 1904?—A. Yes, sir.

Q. Until 1907?—A. Yes, sir.

Q. You have sold to the Marine Department since 1904?—A. Yes, sir.

Q. What is it that you sold to the department?—A. I have sold for four thousand dollars (\$4,000). I had orders in that time for the *Arctic* by telephone. As I was an agent, I bought that, here, in different stores, of various manufacturers and merchants. You should have the invoices here. (The witness addresses himself to Mr. J. L. Perron).

Mr. Perron replies; No, I have not got them.

Q. Apart from that, what have you sold to the Marine Department?—A. I sold Bengal fireworks every year to Mr. Gregory.

Q. You did not have the goods in stock that you sold to the Marine Department to the amount of \$4,000 for supplying the *Arctic*?—A. I had in part.

Q. You bought goods that you did not have in stock, from other merchants and sold them to the department?—A. Yes, sir.

Q. You made a profit on them?—A. Yes, sir; I made a profit.

Q. The merchants of whom you bought the goods that you were short of, sold to you at retail?—A. Not directly.

Q. Not far off? Is that not so?—A. I cannot exactly state.

Q. And after having those orders for the *Arctic* to the amount of four thousand dollars you bought the goods from the merchants of Quebec?—A. Part; the other portion I had in stock.

Q. How much did you pay to Mr. Gregory in commissions?—A. I never paid anything.

Q. You never paid a cent in commission to Mr. Gregory?—A. No, sir.

Q. Have you borrowed money from him?—A. Yes, sir, I have borrowed money from Mr. Gregory.

Q. What amount of money have you borrowed of Mr. Gregory?—A. I borrowed for very nearly the amount of business that I did.

Q. That is, when you had done business with the Marine Department for \$4,000 you had loans from Mr. Gregory for \$4,000?—A. Yes, sir.

Q. Did you pay 5 per cent to Mr. Gregory, like the others?—A. I paid 10 per cent.

Q. Ah, you paid 10 per cent. You are not up to business, like the others—
A. He lent that to me; it cost me that, on an average, yearly.

Q. Then, if I understand you correctly, Mr. Gregory ordered from you goods that you had not in stock, and you paid him, on the amount of the sales that you made to the department, a commission of 10 per cent?—A. That? It was not Mr. Gregory who gave it to me—apropos of the *Arctic*. Mr. Gregory never had any knowledge of it; It was for the Bengal fireworks alone, Mr. Gregory—for the *Arctic*, I had it through the clerk of the vessel.

Q. What is the name of the clerk?—A. I do not know; I do not remember. Mr. Gregory had nothing to do with the sale that I made for the *Arctic*; it was only the Bengal fireworks.

Q. Was it a Mr. Moody who gave you the orders for the *Arctic*?—A. Yes, sir. He ordered cigars, different things.

Q. At any rate, it was fireworks that you sold to Mr. Gregory?—A. Yes, sir.

Q. You borrowed money from Mr. Gregory for the amount of your sales and you paid him 10 per cent on it.—A. He lent me his money legitimately. It was cheaper than it can be had, often.

Q. He gave you no money? It was drafts that he accepted; was it not?—A. It was cheques; he gave me cheques.

Q. At times, he gave you drafts that you then went to discount at the bank?—A. I do not understand.

Q. I ask you whether it was drafts that he accepted, or cheques that he gave you, for the amount of sales that you made to him?—A. It was partly in cheques.

Q. Did he accept drafts for you?—A. I do not quite remember, it is a long time since that.

Q. In any case, drafts or cheques, still it was 10 per cent that he charged you?—A. They were cheques in part.

Q. Now, did you borrow money from other officers of the Marine Department?—A. No, sir, nothing at all.

Q. You did business with Mr. Gregory alone?—A. Yes, sir. As to my large sale for the *Arctic*, I never spoke to him, to Mr. Gregory, about it.

Q. Did you enter in your books the 10 per cent that you gave to Mr. Gregory?—A. No, sir.

Q. There is no trace of it in your books.—A. No, sir.

Q. You did not consider that it would not appear in your books—A. If I borrowed money of some one, it was not necessary to enter that in my books.

Q. You did not consider that should appear in your books?—A. I did not believe it was necessary.

Q. You did not believe it was necessary?—A. No, sir.

Q. Was it by cheque that you paid this 10 per cent to Mr. Gregory, or in money?
—A. Not at all.

Q. You paid him 10 per cent; was it by cheques or in money that you gave it?—
A. I borrowed money from him. Suppose there was an amount due to me by the department. I borrowed the money from Mr. Gregory and had him take it out of that. He gave me cheques for the rest.

Q. The 10 per cent; did you pay by cheques or in cash?—A. With cheques.

Q. How did you enter it, on the stub of the cheques; what name did you put?—
A. We do not understand one another. It is a droll affair.

Q. It has, in truth the appearance to me of a droll affair. Let us proceed frankly, if you please.—A. I sold Bengal fireworks to Mr. Gregory—(The witness is interrupted by the counsel).

Q. Come to the facts. You sold fireworks to Mr. Gregory and you gave 10 per cent to Mr. Gregory on the amount of your sales?—A. I sold forty dozen I suppose. I was in want of money and Mr. Gregory lent me for the amounts I sold to him.

Q. You sold at the wholesale price, I suppose, to the department; you sold at the retail price?—A. No, sir, I sell dearer than that to others. We sell the Bengal fireworks dearer.

Q. And on the amount of your sales you drew drafts on Mr. Gregory?—A. Yes, sir, certainly.

Q. And on each draft you paid 10 per cent to Mr. Gregory?—A. Yes, sir.

Q. That is it, is it not? (The witness does not reply).

Q. And you did not enter it on your books? That is so as well? (The witness does not reply).

Q. You do not reply?—A. It is not precisely that. Suppose that the total of my sale amounted to \$300; he gave me \$270 and kept \$30.

Q. Did you enter the 10 per cent that you gave to Mr. Gregory on your books?—
A. No, sir, it is given to every one to whom fireworks are sold.

Q. You give 10 per cent to every one when you sell fireworks?—A. Yes, sir.

Q. Then there was 10 per cent discount for all your customers?—A. Yes, sir. I sold at the same price. In any case, I will tell you of a transaction—(The witness is interrupted by the counsel).

Q. One minute, if you please. Let us not lose time for nothing. You sold Bengal fireworks for \$300 to Mr. Gregory and upon that you received only \$270?—A. Yes, sir.

Q. As to the \$30 it is Mr. Gregory who had it?—A. Yes, sir.

Q. And you did not enter it in your books?—A. No, sir.

Cross-examined by Mr. Choquette, K.C., Counsel for Mr. Gregory:

Q. I suppose that you had an account due to you by the government to the extent of \$300. To have the money immediately you gave 10 per cent to Mr. Gregory. Would you have given me the 10 per cent?—A. Never.

Q. Suppose I owed you \$200, suppose that Mr. Perron or I owed you \$300; would you have taken 10 per cent off the amount in paying you cash?—A. Not at all.

Q. You do not understand me. This is what I ask. If you had an account against anyone in the city of Quebec, here, to the amount of \$300, and the next day the person went to you and offered cash less 10 per cent discount, would you have accepted it?—A. Certainly I would have accepted it.

Q. Now, when you have an account against the government, it takes time to get paid, does it not?—A. Yes, sir.

Q. And is it not true that you had financial troubles last year?—A. Yes, sir.

Q. You failed, did you not?—A. Yes, sir.

Q. Is it not true that you had no credit, of late years?—A. No, sir.

Q. Is it not true that you could not have had \$300 at the banks on your own name alone, without a good endorser, or giving good security?—A. Yes, sir.

Q. Consequently, did Mr. Gregory in paying you cash down on your accounts render you a service?—A. Quite so, he rendered me a great service.

Q. Could you have purchased goods from the persons you mentioned a little while back, and sell them to the government, without the advances made by Mr. Gregory?—A. Not at all.

Q. Therefore Mr. Gregory, in advancing you the money on which you paid 10 per cent interest placed you in a position to do business?—A. Quite so.

Q. Would you have paid 10 per cent interest to any one at all who would enable you get the money?—A. Certainly. This year, I sold to Mr. Doutre, representing the government at Ottawa, at the same price, \$8, at which I sold all the time; to Mr. Gregory, the same.

Q. Now, is it not true that if you had an order from Mr. Doutre to the amount of \$300 and he had offered to pay you that sum you would have taken off 10 per cent for him also?—A. Yes, sir. At all events I did not charge the government any more for that.

Q. You have never charged the government more on account of the discount that you paid to Mr. Gregory?—A. No, sir, never. It was interest that I paid.

Q. Do you keep books?—A. No, sir.

Q. When you received \$300 from Mr. Gregory in payment of an account in that way, had you a book?—A. Yes, at the time. But as to the discounts at the banks or elsewhere we take no account of them, we treat them as 'cash.'

Q. Consequently, you state, on your oath, that you had need of cash down, to enable you to carry on business?—A. Yes, sir. I did not however charge more to the government.

Q. But to be able to carry on business you had need of your money at once?—A. Yes, sir.

Q. At the time you failed, you had no credit at the banks, or elsewhere?—A. No, sir.

Q. And without the advances from Mr. Gregory you would not have been able to do business or anything?—A. Not at all.

Re-examined by Mr. Perron, one of the counsel assisting the Royal Commissioner.

Q. Do you know when your accounts were sent to Ottawa and how much time it took to receive payment?—A. No, sir.

Q. You were completely indifferent as to that? (The witness does not reply.)

Q. Do you know for example that for one of your accounts, sent to Ottawa, on the 10th September, the cheque was received on the 26th of September? Did you know that, when you paid 10 per cent commission to Mr. Gregory on your accounts?—A. No, sir.

Q. You never enquired how much time it took for your accounts to go to Ottawa and return?—A. No, sir.

Q. You paid a commission to Mr. Gregory because he enabled you to have orders did you not?—A. No, sir, it was not to have orders, it was to have money at once, because payment was often delayed.

Q. How do you know that payment was delayed? I have just given you dates when your accounts were sent to and returned from Ottawa?—A. At all events I did not charge any more to the government.

Q. Is it not true that a little 10 per cent to have orders did no harm?—A. I had only one order a year for the Bengal fireworks.

Q. But still you had it?—A. Yes, sir, certainly I had it, since it is there.

Q. Will you tell us, frankly, what the 10 per cent that you gave to Mr. Gregory was for?—A. It was to get money at once. By that means I had money immediately, you know.

Q. But when you received the drafts you had to go to the bank to change them?—A. Money or drafts, it was at all events money. He nearly always gave me cheques.

Q. Did he sometimes give you drafts?—A. It is four or five years ago. I do not remember.

Q. Did he give you drafts that you were obliged to discount at the banks?—A. I do not remember.

Q. Did you give him 10 per cent because he told you it would take you a year to get paid?—A. I do not recall all those matters now. It was a long time ago.

Q. When he took 10 per cent off the amount of your accounts, did he say to you 'If you give me 10 per cent commission, you will get the money at once; without that, you will wait a long time to be paid'?—A. I do not remember at all.

Cross-examined on the re-examination by Mr. Choquette, K.C.

Q. Were the orders for the Bengal fireworks given you by Mr. Gregory?—A. Yes, sir.

Q. As to the others, Mr. Gregory had nothing to do with them?—A. No, sir.

Q. Here is an account dated the 23rd of November, 1904, for \$83.87 that was not paid until the month of July following. Could you wait as long as that without being paid?—A. No, sir.

Q. You required money to continue your business?—A. Yes, sir.

And further this deponent sayeth not.

The 13th day of November, 1908, GEORGE TANQUAY, provision merchant, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. PERRON, K.C., one of the counsel assisting the Commissioner.

Q. You sold to the Marine Department for a small amount since 1904?—A. Yes, sir.

Q. A sum of \$600?—A. I think so.

Q. I would not have summoned you as a witness if it had not been said that you had important revelations to make to the Court. To whom have you paid commissions?—A. To no one.

Q. Have you been asked for commissions?—A. No, sir.

Q. At what price did you sell to the department?—A. At the market price. I only sold once.

Q. Have you a personal account with Mr. Gregory on your books?—A. No, sir.

Cross-examined by Mr. Choquette, counsel for Mr. Gregory.

Q. You have never asked Mr. Gregory for discount or endorsement?—A. No, sir, never.

And further this deponent sayeth not.

The 13th day of November, 1908, CHARLES A. PARENT, iron merchant, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. PERRON, K.C., one of the counsel assisting the Commissioner.

Q. You have been in business for a great number of years?—A. Yes, sir, for 36 years.

Q. You have sold to the Marine Department for about \$13,000 since 1904?—A.
Yes, sir.

Q. How much have you paid in commissions?—A. I have not paid any com-
missions.

Q. Not to Mr. Gregory?—A. No, sir.

Q. To no one?—A. No, sir, no one at all.

Q. You have paid no commissions to any one at all?—A. No, sir.

Q. Have you ever been asked for commissions?—A. No, sir, never.

Q. Has anyone approached you for commissions?—A. No, sir.

Q. Did you sell to the Marine Department at the wholesale or retail price?—A.

I sold reasonably; at an honest price.

Q. You sold at the same price as to others?—A. Yes, sir.

Cross-examined by Mr. Choquette, K.C., counsel for Mr. Gregory.

Q. You have never borrowed money from Mr. Gregory?—A. No, sir, I never
had need to do so.

Q. You have never asked Mr. Gregory for discount, either?—A. No, sir, never.

Re-examined by Mr. J. L. Perron, one of the counsel assisting the Commissioner.

Q. You have no personal account against Mr. Gregory in your books?—A. Yes,
sir, I have 28 cents on my books owing to me by Mr. Gregory.

The WITNESS, addressing Mr. PERRON.

Q. May I take back my books? (Reply by Mr. Perron.) A. Certainly, you can
take them back. We have no further need of them.

And further this deponent sayeth not.

The 13th day of the month of November, 1908, PAUL BOLDUC, chief engineer of
the *Druid*, appears before the Honourable W. G. P. CASSELS, Commissioner to investi-
gate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by MARC-AURIÈL LEMIEUX, his counsel.

Q. You are chief engineer on board the *Druid*?—A. Yes, sir.

Q. You are accused of having received considerable sums of money from Mr.
Audibert?—A. Yes, sir.

Q. Will you state why you received these moneys from Mr. Audibert. Explain
it to the court?—A. When I took charge of the *Druid*, April 27, 1904, Mr. Audibert
came on board in the month of June. He said to me: 'It is the custom of the house
of Drolet to give the engineers known to the house a certain amount of money for
services that you might render in the future; here is \$80.' He gave me \$80 as a
gift from the house. I took it.

Q. You had not asked Mr. Audibert for money?—A. No, sir. He brought me
the present on board the vessel. He said, 'It is for the service that you might render
in the future.'

Q. The other sums that Mr. Audibert gave you afterwards were for the same
purpose?—A. Yes, sir.

Q. What service had you rendered to the house of Drolet?—A. No service at all.

Q. Outside of the department, what service had you rendered to the house of
Drolet—outside of your working hours?—A. I cannot state precisely if my friends
the machinists went to Mr. Drolet's shop.

Q. Have you sent work to Mr. Drolet's?—A. I do not remember.

Q. It was for favours that they gave you the money?—A. Yes, sir.

Q. And you never rendered any?—A. No, sir.

Q. One fine day Mr. Audibert came on board the *Druid* and said to you that it was the custom of the house of Drolet to give to the engineers known to the house of Drolet a certain amount of money for the services you might render them, and that time he gave you \$80?—A. Yes, sir, he said to me, ‘And in the future it will always be the same.’

Q. Have you returned any of the money?—A. Yes, sir.

Q. You have returned money to Mr. Audibert?—A. Yes, sir, I have returned money to Mr. Audibert.

Q. How much have you returned?—A. I gave him \$5, \$10; it depended on circumstances. He said, ‘Why do you give me that?’ I said, ‘For the same reason that you gave to me; for a present.’

Q. Then each time that Mr. Audibert gave you money you returned him some?—A. I do not know that it was each time.

Q. Then he was interested in giving to you?—A. I believe not.

Cross-examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. What is your occupation?—A. I am engineer in charge of the *Druid*.

Q. Engineer of the machinery?—A. Yes, sir.

Q. On each occasion when you received money from Mr. Audibert you were in charge of the *Druid*?—A. Yes, sir.

Q. When did you commence to receive money from Mr. Audibert?—A. In the month of June, 1904, after I took charge of the *Druid* as chief engineer.

Q. You received money from Mr. Audibert from June, 1904, to what time?—A. Up to last year.

Q. Did you receive money nearly every month?—A. No, sir.

Q. Every two months?—A. Yes, sir every two months.

Q. What is the largest sum you received from Mr. Audibert?—A. \$130.

Q. On what ground?—A. On the same ground that the first was given to me.

Q. On the same ground that the first was given?—A. He said, ‘Captain, it is the custom of the house of Drolet to give certain amounts of money to the mechanical engineers, whether government or otherwise, as a present for services that you might render in the future.’

Q. When Mr. Audibert gave you that money had repairs been done to the *Druid*?—A. No, sir, they were done in the spring.

Q. Before Mr. Audibert made you his first present?—A. Yes, sir.

Q. It was after that, it was after the repairs that he made you the first present?—A. Yes, sir.

Q. Were there considerable repairs done on the *Druid*?—A. From \$3,500 to \$4,000.

Q. It was you, I presume, who said to the inspector of vessels that the *Druid*, or the engine of the *Druid*, needed considerable repairs?—A. Yes, sir.

Q. It was you who inspected the work done?—A. Yes, sir.

Q. It was you who certified, as well, for quality as for the quantity of the material, and generally everything in the way of work done by the house of Drolet on board the *Druid* during the time that you were there?—A. Yes, sir.

Q. It was upon your certificate alone that the department could count for knowing whether the house of Drolet had done right or not?—A. Yes, sir.

Q. Was the money that had been given to you by Mr. Audibert paid by cheque?—A. No, sir.

Q. Current money?—A. Yes, sir.

Q. From hand to hand?—A. Yes, sir.

Q. Where were you, generally, when the money was handed to you?—A. At Mr. Audibert’s; twice at the Marine Department, when he came to my office.

Q. Where was the money given to you, the other times?—A. In the street, and at Mr. Drolet's office.

Q. And this money was given to you in the course of the work that the house of Drolet was doing to the engine of the *Druid*?—A. No, sir, in the course of the year.

Q. During all that time, you gave the certificates as to the work done by the house of Drolet?—A. No, sir, I never gave a certificate.

Q. I understand—certified the accounts?—A. Yes, sir, I certified the accounts after the two inspectors.

Q. Are you still in the employment of the department?—A. No, sir, I am suspended.

Q. Since when have you been suspended?—A. Since last Saturday.

Q. You were not suspended before that?—A. Yes, sir, on 23rd of October.

Q. You were suspended on 23rd of October, this year?—A. Yes, sir.

Q. By the department?—A. Yes, sir.

Q. And you had just been reinstated, when you were suspended again?—A. Yes, sir.

Q. During all the time you were in the employ of the department and received presents from the house of Drolet, for about how much had the house of Drolet done repairs for the department?—A. I am not able to tell you.

Q. Twenty thousand dollars, or so, for the machinery?—A. I do not know.

Q. For the *Druid*?—A. I do not know. As to the machinery I cannot specify either.

Q. A large amount?—A. There are accounts that I have not seen.

Q. For a large amount, at all events?—A. It must come to a large amount.

Q. Twenty thousand dollars or so?—A. I do not know.

Q. You do not know?—A. No, sir.

Q. Did you inform Mr. Gregory or anyone in the department that Mr. Drolet or Mr. Audibert paid you bonuses or commissions?—A. No, sir.

Q. Why?—A. I received a present and I kept it for myself. He said, 'If you can render us a service in future, you will do it, and we will give you so much,' the same as I have told you.

Q. And you informed no one?—A. No, sir.

Re-examined by Marc-Aurèle Lemieux:

Q. Are the amounts that you received from Mr. Audibert correct?—A. I have not seen the details.

Q. In the month of December, you received \$6.60? Is that correct?—A. I do not remember receiving coined money.

Q. If you did receive any would you remember it?—A. Yes, sir.

Q. Did you receive \$40?—A. I do not recall the amount.

Q. Do you remember receiving hard money from Mr. Audibert?—A. No, sir, I do not remember it.

Q. Have you always done your duty?—A. To the extent of my ability, yes, sir. I fell short sometimes in discipline—in the matter of drink—I do not know.

And further this deponent sayeth not.

This 13th day of November, 1908, GERMAIN BELANGER appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

Witness examined by Mr. Marc-Aurèle Lemieux, his counsel:

Q. You work for the Marine Department, do you not?—A. Yes, sir.

Q. As gas engineer?—A. Yes, sir.

Q. For how long a time have you worked for the Marine Department as gas engineer?—A. About nineteen years.

Q. For how long a time have you been in the employment of the Marine Department?—A. Since 1861.

Q. That makes 47 years?—A. Yes, sir.

Q. You are accused of having, on June 28, 1904, received \$10, and on January 10, 1905, \$16, in nearly forty-eight years that you have been employed by the Marine Department; did you receive those two sums?—A. Yes, sir, I cannot give the dates.

Q. Mr. Audibert swears that it is \$26 that he gave you?—A. He gave me one \$5 and one \$10.

Q. Mr. Audibert swears that you had those two amounts?—A. I am not able to tell you.

By Mr. J. L. Perron, K.C., one of the counsel assisting the commissioner:

Q. Turn towards the court, if you please, and speak louder?—A. Yes, sir.

By Mr. Marc-Aurèle Lemieux:

Q. Mr. Belanger, Mr. Audibert has sworn to having given you two amounts, \$10 and \$16. Is that all you had from him?—A. I received some money from Mr. Audibert; I am not able to say how much. I did have what I mentioned.

Q. You do not remember the amount?—A. No, sir.

Q. In what way did he give it to you?—A. He gave it to me at his shop, and once at my shop.

Q. Those are the only times you recall having received money from Mr. Audibert?—A. I do not remember. I am not able to give the dates.

Q. Now, did you ever demand money from Mr. Audibert?—A. No, sir.

Q. Did you solicit money from Mr. Audibert?—A. No, sir.

Q. Did you return money to Mr. Audibert, after he gave it to you?—A. He did not give it to me, to pay it back afterwards.

Q. Did he ask you to return part of the money that he gave you?—A. No, sir, never.

Q. If Mr. Audibert swears that he did, he is mistaken; you did not return him money?—A. No, sir, I never returned money to Mr. Audibert. He never gave me enough for that.

Q. Now, have you done anything at all, to deserve that money?—A. I may have rendered him services, outside of the department. I do not remember. Two or three years back, at the time they established the automatic acetylene buoys, I recommended the house of Drolet for the work.

Q. State what you did for the house of Drolet under those circumstances?—A. It was a Mr. Wilson.—

Q. What did Mr. Wilson do?—A. He was an engineer from Ottawa of the company that made the buoys. He sold the buoys to the department and to all who wanted them. The buoys had not been accepted. They had sent an agent to Quebec and he had asked me where he could have work done without returning to Ottawa. I said, 'There is the house of Drolet that does good work.'

Q. Was there much work to be done?—A. I do not know; rather so.

Q. Did the work that the house of Drolet do in connection with the buoys reach up to the thousands?—A. I do not know.

Q. It was some hundreds of dollars, at any rate?—A. Yes, sir. I had taken the gentleman to Mr. Drolet.

Q. Outside of your work?—A. Yes, sir.

Q. Was it you who accepted the materials for the department from the house of Drolet?—A. Yes, sir.

Q. You accepted them yourself?—A. Yes, sir.

Q. What was it that you accepted from the house of Drolet?—A. Not a great deal.

Q. How much did you purchase in a year, in a season, from the house of Drolet, for your own work?—A. About one hundred dollars from one hundred dollars to fifty dollars (\$50).

Q. What you bought were cast gratings?—A. Yes, sir, for pieces of machinery—to be planed and bored.

Q. Did you give orders to the house of Drolet for these matters?—A. No, sir.

Q. Was it you who settled the prices with Mr. Drolet?—A. No, sir.

Q. All that you did was to receive the materials, to see they were such as had been ordered?—A. Yes, sir.

Q. And in the forty-eight years that you have been employed by the Marine Department, have there been any complaints against you?—A. No, sir.

Q. Nothing at all; never?—A. No, sir.

Cross-examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. It is on you alone that the department had to rely for information whether or not the house of Drolet furnished goods such as had been called for?—A. Yes, sir.

Q. You were the only one to make such reports?—A. Yes, sir.

Q. When did you receive the first payment of money from Mr. Audibert?—A. I am not able to tell you.

Q. About how many years ago was it that you received the first sum of money from Mr. Audibert?—A. Four or five years; I am not too certain.

Q. On what occasion was it that he gave you the first amount; what did Mr. Audibert say to you in giving you the money?—A. Nothing at all.

Q. Not a word?—A. Not a word.

Q. Was it a cheque that he gave you?—A. No, sir, it was not a cheque. I do not know if it was \$5 or \$2 or \$3.

Q. How much did Mr. Audibert give you, then?—A. I am not able to say.

Q. What did you do, when he gave you the money?—A. I said nothing. I put the money in my pocket, to see later what I might have in it.

Q. Was it the same the other times?—A. Yes, sir, it was just the same thing the other times. He also gave it to me in his shop; I do not know if he did so once or twice.

Q. What were you going to his shop for?—A. I went to see if the orders were ready, or to carry other work.

Q. You went to Mr. Drolet's shop to see whether the orders were ready, or to carry other work?—A. Yes, sir; and to look over the work—how it had been done.

Q. At the time when Mr. Audibert gave you the money and he was at the shop, what were you going to do there?—A. It was about the orders; we generally gave them to him, himself.

Q. You went to take him an order, one fine day, and he gave you the money? A. I do not recollect whether it was an order that I had been to take to him that time. He came out of his office to me and gave me the money in an envelope.

Q. Ah, he gave money to you also in an envelope?—A. Yes, sir.

Q. He placed it in the pocket of your coat?—A. Yes, sir, I did not see how he gave it to me.

Q. He gave it to you quite secretly?—A. Yes, sir.

Q. Did you speak of it to any one?—A. No, sir.

Q. Why did you not speak of it?—A. It was not necessary for me to tell of the presents I had.

Q. They were presents and you were not willing anyone should know?—A. No, sir.

Q. You said in your examination-in-chief that Mr. Audibert had not given you money enough for you to return any of it to him?—A. Yes, sir.

Q. What does that mean?—A. If they were presents that they gave me? If they were to be at once returned? If you gave me \$5.00 I am not going to return them at once.

Q. You found he did not give you enough to deserve having any?—A. No, sir.

Re-examined by Mr. Marc Aurèle Lemieux:

Q. You replied to Mr. Perron that the department was obliged to rely on you alone to be sure that the materials you received were of good quality and according to the orders given?—A. Yes, sir.

Q. It was you who looked after the materials?—A. Yes, sir.

Q. The government depended on you alone?—A. Yes, sir, as to what concerned my department.

Q. Have you ever accepted materials of inferior quality or less in quantity than specified in the orders?—A. No, sir, never.

Q. Have you, under any circumstances, during the forty-eight years that you have been employed by the Marine Department ever received or has any one ever made you any complaints of your having bought or accepted materials that were not good?—A. Never.

Q. During the forty-eight years that you have been in the employment of the department, have you ever received any sums of money aside from the twenty-six dollars?—A. No, sir, never.

Q. From no firm at all?—A. No, sir.

Q. And as you have stated you do not know what kind of money you received from Mr. Audibert, whether it was \$1, \$5, or \$10?—A. No, sir, I do not know.

This fourteenth day of the month of November, 1908, Joseph Gauthier, of the city of Quebec, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. What is your occupation?—A. I am a painter and decorator.

Q. You are a painter and decorator?—A. Yes, sir, I am a member of the firm of Gauthier and Frère.

Q. You have asked to be heard as a witness?—A. Yes, sir.

Q. Will you say why, if you please? What have you to say?—A. I have to state that I have worked for the Marine Department for several years and that I have never given any commission at all to anyone.

Q. Not directly or indirectly?—A. No, sir.

Q. Had Mr. Gregory a personal account with you?—A. Yes, sir.

Q. Has he paid his account in full?—A. Yes, sir, he has paid fully.

Q. Without discount?—A. I have not taken off a cent, I can give you the amount if you like.

Q. Have you anything more to say?—A. No, sir, I have nothing more to say.

And further this deponent sayeth not.

Mr. J. L. Perron calls Mr. E. Pelletier to give evidence.

This person is not present in Court. Mr. Perron, addressing the Court says: This witness was regularly summoned. My information is that he paid commissions. As we have already had a sufficient number of witnesses on this point, I do not think it justifiable to bring him to Court by force, if he does not wish to come here.

This fourteenth day of November, 1908, Napoleon Mercer, grocer of the city of Quebec, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. What is your occupation, Mr. Mercier?—A. I am a grocer.

Q. Wholesale or retail?—A. Retail grocer.

Q. You have been a grocer at Quebec for some time?—A. I have been a grocer for five years.

Q. You began as a grocer at the same time that you commenced to sell to the Marine Department?—A. I commenced in August, 1904.

Q. You commenced in 1904, to sell to the Marine Department?—A. Yes, sir.

Q. You had at that time been a grocer for one year?—A. Yes, sir.

Q. Did Mr. Gregory start you in business?—A. No, sir.

Q. What were you before you became a grocer?—A. I was a clerk.

Q. You were a clerk for another grocer?—A. Yes, sir.

Q. For whom?—A. For my brother.

Q. He did business with the Marine Department, I suppose?—A. Yes, sir.

Q. How much have you sold to the Marine Department since 1904?—A. I have sold for \$5,902.

Q. Will you show me that account, and produce it as Exhibit No. 228?—A. Yes, sir.

Q. Where were the goods that you sold generally delivered?—A. To the Marine Department.

Q. On board the vessels?—A. Yes, sir, on board the vessels and to the department itself.

Q. What groceries did you deliver to the Marine Department?—A. They were soap, brooms, and washing soda.

Q. You always sold to the Marine Department at the retail price?—A. Yes, sir.

Q. And even a little above the retail price?—A. No, sir.

Q. You were not a very little above the retail price?—A. No, sir.

Q. You have done business with Mr. Gregory?—A. Yes, sir.

Q. You also have paid 5 per cent?—A. Yes, sir, I paid 5 per cent.

Q. I presume Mr. Gregory had a personal account with you?—A. Yes, sir.

Q. Have you his personal account?—A. Yes, sir.

Q. Will you show it to me, if you please?—A. Yes, sir, (The witness exhibits Mr. Gregory's account to the Counsel.)

Q. He bought scarcely anything of you?—A. Very little.

Q. You have been paid by him in full?—A. No, sir, a balance remains.

Q. A balance for how much?—A. A balance of ten dollars and something.

Q. Have you asked him for it?—A. No, sir.

Q. He bought of you for \$10.15 and he owes you \$10.15?—A. Yes, sir, for this year.

Q. Have you done business with other employees of the Marine Department?—A. No, sir.

Q. Not one?—A. No, sir.

Q. Was the money that you paid to Mr. Gregory by cheque?—A. Yes, sir, it was by cheque. I gave it to him once in money.

Q. You gave it to him once in money?—A. Yes, sir.

Q. From hand to hand?—A. Yes, sir.

Q. Have you your cheques with you?—A. Yes, sir, I have some, not all.

Q. Will you show me those you have?—A. Yes, sir. (The witness exhibits to the Counsel a package of cheques.)

Q. Will you produce these cheques as Exhibit No. 229?—A. Yes, sir, I have no objection.

Q. Now, we will look over them. Here is a cheque of the 4th July, 1907, drawn on the Banque Nationale, payable to bearer for the sum of \$27.07.—A. Yes, sir.

Q. Another dated the 27th November 1905 drawn on the Banque Nationale payable to bearer, for \$16.36?—A. Yes, sir.

Q. Another dated for 11th July, 1907, drawn on the Banque Nationale, payable to bearer, for the sum of \$40?—A. Yes, sir.

Q. None of these cheques are endorsed?—A. No, sir.

Q. Now are they any others besides these?—A. I have not made an examination.

Q. According to what I understand, you have paid Mr. Gregory about \$400?—A. Yes, sir, about that.

Q. How are these different cheques, payments you have made to Mr. Gregory, entered in your books?—A. They are not entered at all.

Q. You did not enter them?—A. No, sir.

Q. Why?—A. Because I placed that, I calculated it, at the end of the year in profit and loss.

Q. You calculated that, at the end of the year, in profit and loss?—A. Yes, sir.

Q. You took it as you would advertising expenses, as, in advertising in the papers you would have put that in your books to the account of profit and loss?—A. Yes, sir.

Q. The account of profit and loss covers a great number of things; what cannot be entered elsewhere is generally carried to the account of profit and loss?—A. Yes, sir, such as interest.

Q. Such as interest; or advertisements in the papers. If you had paid 5 per cent. to a newspaper, you would have carried it at the end of the year to the account of profit and loss?—A. Yes, sir.

Q. Where did you enter the 5 per cent that you gave to Mr. Gregory?—A. I entered it in my books, as interest.

Q. Do you carry your interest account to your profit and loss account?—A. Yes, sir—not all.

Q. You entered in your books the interest you paid to Mr. Gregory, in the profit and loss account?—A. Yes, sir.

Q. The others were not carried there?—A. No, sir.

Q. You did a large business?—A. Fairly large.

Q. You had good credit at the banks?—A. No, sir.

Q. You never had trouble?—A. No, sir.

Q. The 5 per cent paid to Mr. Gregory was to help you in your business?—A. When I was in need of money, when the department owed me accounts, that is what I did; I applied to Mr. Gregory for money.

Q. But you knew how to combine the useful and the agreeable; you knew that it helped you, to have business?—A. It could do no harm.

Q. You had no doubt of that?—A. I believe not.

Cross-examined by Mr. Choquette, K.C., counsel for Mr. J. U. Gregory:

Q. When you had need of money, like that, if the government owed you money, to avoid going elsewhere to find money you asked it of Mr. Gregory, who lent it to you?—A. Yes, sir.

Q. And at the banks you were obliged to have an endorser to obtain money?—A. Yes, sir.

Q. You did your business with Mr. Gregory, and had no need of an endorser?—A. No, sir.

Q. You took him part of the accounts due to you by the department?—A. Yes, sir.

Q. And on the advances of money he made you pay 5 per cent?—A. Yes, sir.

Q. You paid him 5 per cent only on the moneys he advanced to you?—A. Yes, sir.

Re-examined by Mr. Perron, K.C., one of the counsel assisting the Commissioner:

Q. Is that the rate for money at Quebec, 30 per cent per year interest; is that the rate at Quebec?—A. No, sir.

Q. Thirty per cent is not the rate?—A. No, sir.

Q. Yet that is the rate he charged you, 30 per cent.—A. No, sir, I think not.

Q. They were two months drafts that he gave?—A. At two months and four months.

Q. Then some times it was 30 per cent that you paid Mr. Gregory?—A. I paid 5 per cent on the drafts that he gave me.

Q. So that made a discount of 30 per cent per annum. The drafts being at two months, that made 30 per cent discount per annum?—A. I have not made the calculation.

Q. You are a man of business; make the calculation at once.

(The witness makes the calculation required of him, and replies:—

A. Yes, sir; that makes 30 per cent.

Q. And on the drafts at four months, it made 15 per cent?—A. Yes, sir.

Q. Besides that, you paid 6 or 7 per cent to the bank?—A. I passed that on to my creditors.

Q. You saved the bank interest?—A. Yes, sir, that is what I did.

Q. I congratulate you. You are going to succeed in business. Now, you have just said to Senator Choquette that you borrowed money from Mr. Gregory, on which you paid 5 per cent, solely and only because you had need of money?—A. Yes, sir, I paid 5 per cent to Mr. Gregory when I was in want of money.

Q. And only for that?—A. I commenced it for that.

Q. I ask you, on your oath, if you are ready to persist in swearing that you paid the 5 per cent to Mr. Gregory only because you were in want of money?—A. I can answer yes, and no. In the first place I had absolute need of money and I went to Mr. Gregory and asked him for help. In the second place—

Q. In the second and third place, what happened?—A. I obtained the money from him when I wanted it.

Q. I ask you to swear by the oath you have taken, whether you paid 5 per cent to Mr. Gregory only because you were in need of money?—A. I do not understand your question.

Q. You do not understand it?—A. No, sir.

Q. For a man of business, as you are, a man who passes Mr. Gregory's drafts over to his creditors, it seems to me you ought to understand my question?—A. I tell you quite frankly I asked money from Mr. Gregory because I was in want of money.

Q. Do you swear under the oath you have taken, that you paid 5 per cent to Mr. Gregory only because you borrowed money from him?

(The witness does not reply).

Q. Answer the question.—A. I borrowed money from Mr. Gregory because I wanted it.

Q. Will you swear that you paid 5 per cent to Mr. Gregory only because you had need of money?—A. Yes, sir.

Q. You swear that now?—A. Yes, sir.

Q. What was your reason for not entering it on your books?—A. It was because I did not like to enter it.

Q. Why?—A. I do not know.

Q. You do not know?—A. No, sir.

Q. You tell me that? Tell me the reason why you did not enter that in your books.—A. It was because I did not wish it to appear in my books.

Q. What was your reason for not wishing that to appear in your books?—A. It was because I had been told it would be better that it did not appear.

Q. Who told you that it would be better that it did not appear in your books?—

A. It was Mr. Gregory.

Q. When did he tell you that?—A. The first time that I had a cheque from him.

Q. He told you that, the first time you had a cheque from him?—A. Yes, sir.

Q. Mr. Gregory told you not to enter it in your books, so that it should not appear?—A. Yes, sir.

Q. Will you, if you please, repeat the conversation that took place on that occasion, between you and Mr. Gregory?—A. He told me it was better that it did not appear in the books.

Q. How did he tell you that?—A. I do not recollect the words.

Q. At all events he told you squarely not to enter those payments in your books, in order that no one might know, and not to speak of it to any one whatever?—A. Yes, sir.

Q. Will you, if you please, produce the statement of account of the goods that you sold to Mr. Gregory as Exhibit No. 230?—A. Yes, sir.

And further this deponent sayeth not.

Mr. J. L. Perron, K.C., addressing the Commissioner, makes the following statement: I desire to repeat in French what Mr. Watson has said in English, seeing that there are many of the employees of the department who speak that language. There being several employees on the list produced by Mr. Audibert alone, whose names have been mentioned as having received money, we desire to repeat that if any of these employees wish to be heard before the Commissioner, we will with pleasure hear them.

This fourteenth day of the month of November, 1908, Joseph Arthur Gagnon appears before Hon. W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries to give evidence.

The witness is examined by Mr. Choquette, K.C., counsel for Mr. J. U. Gregory.

Q. You are employed by the Marine Department, are you not?—A. Yes, sir.

Q. It is you who generally receive the accounts?—A. Yes, sir, I receive them.

Q. You also certify the accounts?—A. Yes, sir. It is I who examine the accounts and have them certified by the foreman to be signed by the agent.

Q. Have you ever received instructions from Mr. Gregory or others to delay the despatch of the accounts to Ottawa?—A. No, sir.

Q. Are your instructions, on the contrary, to forward them as soon as possible?—A. Yes, sir.

Q. Mr. Gagnon, are you the only one in the department for that duty?—A. We are only two in the Marine Department to examine all the accounts, and we have no time to do more than we do at present. As to the accounts received, there are certain accounts dated in the months of June and July that reach us in the months of September and October. It is difficult to send them earlier.

And further this deponent sayeth not.

The Commission having adjourned at two o'clock in the afternoon opens a sitting at 2.30 p.m. at the private residence of Mr. Elzéar Audibert, who, after taking the oath on the Holy Gospels, says and deposes as follows, namely.

Examined by Mr. J. L. Perron, K.C.:

Q. Mr. Audibert you are Mr. F. X. Drolet's accountant?—A. Yes, sir.

Q. How many years have you been accountant to that house?—A. More than twenty-four years.

Q. For over twenty-four years?—A. Yes, sir.

Q. If I correctly understand the situation Mr. Drolet knows absolutely nothing of the books?—A. Nothing at all.

Q. And of the financing?—A. Nothing at all.

Q. Mr. Drolet attends exclusively to the machinery?—A. Yes, sir, he attends exclusively to the machinery, to repairs and construction.

Q. He attends only to the shop?—A. Yes, sir.

Q. All the financing is left in your hands?—A. Yes, sir, all the financing is left in my hands.

Q. Completely?—A. Completely.

Q. For all the financial operations that had to be done?—A. For all that is done.

Q. And that since you have been with Mr. Drolet?—A. Yes, sir.

Q. Now you have been ill for some time?—A. I have been ill for twelve years.

Q. I understand that on several days you were not able to come to the court?—A. Yes, sir, I have been unwell for some time. It has been impossible to go to the court. I showed you the proof yesterday evening. (The witness addresses Mr. Perron).

Q. You have satisfied all these gentlemen, here, that you were not able to attend the court?—A. Exactly so.

Mr. J. L. Perron, addressing Mr. Lemieux, representing certain of the Marine employees as counsel. You are satisfied, are you not, that it is impossible for Mr. Audibert to attend the court?

Mr. Lemieux replies: Yes—without having any proof positive I am satisfied.

Mr. Perron, again addressing the witness:

Q. You are not able on account of illness to attend the court?—A. I am not able.

Q. You no doubt know that Mr. Drolet was summoned as a witness before the Commission of investigation *re* the Department of Marine and Fisheries, presided over by the Honourable Mr. Cassels and has appeared there?—A. Yes, sir.

Q. You also know that he was asked to be good enough to prepare a list of all the employees of the Marine Department who had received money from the house of F. X. Drolet?—A. Yes, sir.

Q. You know that Mr. Drolet has stated that he was unable to do so, and that you alone could prepare the list?—A. Yes, sir.

Q. Acting on the instructions of Mr. Drolet, and in conformity with the demand we had made of him, you did prepare a list?—A. Yes, sir.

Q. Which list you handed to Mr. Drolet?—A. Yes, sir.

Q. Mr. Drolet produced this list in court?—A. Yes, sir.

Q. It is marked as Exhibit No. 120?—A. Yes, sir.

Q. Will you take note of this list, Exhibit No. 120, produced by Mr. Drolet with his deposition dated the 5th of November, 1908, and say who prepared the list? The witness, examining the list in question replies:—A. It was I.

Q. It was you yourself who prepared this list?—A. Yes, sir.

Q. Is this list exact?—A. Yes, sir. It is I who prepared it.

Q. I ask you if it is exact?—A. To the best of my knowledge, yes, sir.

Q. I understand that you did not keep the books of the house of Drolet by the system of double entry.—A. No, sir, I am not acquainted with book-keeping by double entry.

Q. If I understand aright, your system of book-keeping is simple. You keep a book in which you enter all the moneys that you received and all the moneys that you paid?—A. Yes, sir.

Q. The receipts and expenses entered in the cash-book were not carried to the ledger?—A. No, sir.

Q. Your ledger only contained the sales and the credits?—A. Yes, sir, the ledger only contained the sales and the credits.

Q. And you had no accounts in the ledger for persons who received money down or who were paid money down?—A. No, sir.

Q. For no one?—A. For no one.

Q. Have you the cash-book in question here?—A. Yes, sir, I have it here.

Q. This is it, is it not? (Mr. Perron shows the witness a certain book)—A. Yes, sir, that is the cash-book.

Q. We will now produce it as an Exhibit (Mr. Perron produces the general cash book as Exhibit No. 175).

Q. The list, Exhibit No. 120, was prepared by you, as you stated just now?—A. Yes, sir.

Q. Based on the book, Exhibit No. 175?—A. Yes, sir.

Q. I understand that the process you have followed in preparing the list Exhibit No. 120 was, to go over each page of your book, from January, 1904, and extract the various sums paid to the persons mentioned on the list?—A. Yes, sir.

Q. Mr. Perron yesterday handed you a copy of the list Exhibit No. 120?—A. Yes, sir.

Q. And he asked you to take each name that was written on the list, look over the pages of your book, and place on the blank space above each name the date of the payments as well as the amounts as they appeared in the book?—A. I was unable to fill in the amounts as there was not sufficient space. I filled in the dates with the folios.

Q. You have filled in the dates with the pages of your book?—A. Yes, sir.

(A copy of the list, Exhibit No. 120 with the pages of the book, Exhibit No. 175 where the payments to various employees appear, is produced as Exhibit No. 176).

Q. Now, Mr. Audibert, we will go over together all the names given on this list, Exhibit No. 176 and you will refer to your ledger for each of the names I am going to mention?—A. Very well.

Q. Narcisse Dufour is the first name that appears on this list. Will you tell us what he received?

The witness, referring to the copy of the list produced as Exhibit No. 176, and to the pages of the ledger produced as Exhibit No. 175, replies as follows. Page 159 March 25, 1904. I read, on March 25, page 159 of the book: 'Dufour of the department, Quebec,' \$25.

Q. This sum of \$25 was paid to Narcisse Dufour by whom?—A. By me.

Q. By yourself personally?—A. By myself personally.

Q. From hand to hand?—A. Yes, sir, from hand to hand.

Q. Where did you give it to him?—A. I do not know. Perhaps in the department buildings. It might be at the forge, where I had the opportunity of giving it to him without anyone knowing it.

Q. Where you had the opportunity of giving him these moneys without anyone knowing it?—A. Yes, sir.

Q. When these payments were made, you two only were present, the one who received and the one who paid?—A. Yes, sir, ordinarily that is how it was done.

Q. Why?—A. Because one does not care to make one's business known to all the neighbours.

Q. You did not wish it to be known?—A. No, sir. If I do a favour to anyone I do not like it to be known, if that be possible.

Q. You wished to prevent its becoming known?—A. Yes, sir.

Q. Then, continue with the name of Narcisse Dufour. Tell us the moneys that he received?—A. The next page is 165, April 19, 1904. I read, 'Narcisse Dufour, \$75.'

Q. Is it the same as in the case of \$25?—A. Yes, sir.

Q. Continue.—A. The next is page 169, 20th May, 1904, 'Dufour, \$30.'

Q. Is it the same as in the case of the two preceding payments; it was made under like circumstances?—A. Yes, sir. The next page is 175, June 28, 1904. 'Dufour, \$30'; page 177, July 15, 1904, \$10.' The next page is 183, August 16, 1904, 'Dufour of the Marine Department,' \$60.

Q. Then, continue.—A. Page 189, September 14, 1904, 'Narcisse Dufour, Quebec, \$50.00.' Page 219, March 22, 1905, 'Narcisse Dufour, \$50.00'; page 225, May 5, 1905, 'Narcisse Dufour of the department, \$55.00'; page 233, June 23, 1905, 'George D. O'Farrell and N. Dufour, \$100.00.'

Q. Now I see you have charged in a lump sum the payment you made that day of \$100.00 to George D. O'Farrell and N. Dufour, can you state what you gave to each of them?—A. I am not able.

Q. What you do know is that you gave \$100.00 to the two on that day?—A. Yes, sir. I do not know whether I gave \$10.00 to the one and \$90.00 to the other.

Q. Go on.—A. August the 8th, page 335, 'Narcisse Dufour of the department, \$15.00.' That is all I have for him.

Q. Were all these payments made by yourself to Narcisse Dufour?—A. Yes, sir.

Q. Personally?—A. Yes, sir.

Q. By no one but yourself?—A. No, sir.

Q. From hand to hand?—A. Yes, sir, from hand to hand.

Q. Then the next is Stewart. Do you know his first name?—A. It is written H. M.

Q. Do you know personally if those are his first names?—A. I did not know. I do not know if I placed them there.

Q. Which is the first page for Stewart?—A. The first page is 157, March 5, 1904. 'H. M. Stewart, SS. *Aberdeen*, \$10.00.'

Q. Is that he, is that our man?—A. Yes, sir.

Q. The payment was made to him as to others, from hand to hand?—A. Yes, sir. from hand to hand. There were only the two of us.

Q. With the understanding that it should never come out?—A. Yes, sir. It ought never to have come out, either. Unfortunately, it has come out.

Q. What you say, that it ought never to have come out, is true of all those on this list?—A. Certainly.

Q. Not a word should have transpired of all this?—A. I thought it dead for all time.

Q. Its transpiring grieved you?—A. Certainly it grieved me.

Q. It is the investigation that revealed it?—A. Yes, sir.

Q. You are annoyed at being obliged to give up these persons?—A. Yes, sir, that grieved me more.

Q. Continue with Stewart, what is the next page?—A. The next page is 169.

Q. What date, if you please?—A. May 20, page 169, 'Stewart, \$160.00.'

Q. Then?—A. October 15, page 193, 'Stewart, engineer, *Aberdeen*, \$40.00; November 8, page 190, 'H. M. Stewart, \$8.00.'

Q. Then, what is the next page?—A. There are no others. I have no more on my list.

Q. Then, Nolet?—A. April 12, page 163, 'Isaie Nolet, of the Red Island—'

Q. You have made a mistake. It is the 11th of April instead of the 12th of April, 1904.—A. That may be.

Q. This Mr. Nolet was one of the employees of the Marine Department, he was an engineer I suppose on the Red Island lighthouse?—A. It is a light that they call 'Red Light Ship.'

Q. What does he do?—A. He is still engineer.

Q. What was the amount given to Nolet?—A. The sum of \$70.

By Mr. Marc Aurèle Lemieux, counsel for certain employees mentioned in the list, No. 176:

A. Is it not true that Mr. Nolet was not in the employ of the Government when he was paid that sum by you, but in that of the captain, who had passed him a contract with the government; is it not true that he was not in the employ of the government at all?—A. I do not know. If he was engaged by any body else I do not know it.

By Mr. J. L. Perron:

Q. As to yourself, you thought he was an employee of the department?—A. Even if he had not been an employee of the department, I should have given it to him the same.

Q. When you gave him that sum, you were convinced he was in the employ of the department?—A. According to me he was in the employ of the department.

Q. Continue your list.—A. April 12, 1904, page 163, 'Ouellet, \$55.'

Q. What did Ouellet do?—A. He was engineer on board a lightship.

Q. What is the next page after that? Is that all?—A. Yes, sir.

Q. There are errors in Exhibit No. 120; how did they occur?—A. They occurred to begin with, because the first list I made was done at one in the morning. I began work again yesterday evening at a very late hour. In my present condition I do not see very clearly.

Q. That is the reason why errors may have crept into Exhibit No. 120?—A. Yes, sir.

Q. We will now take the name of Mr. Leblanc?—A. April 15, 1905, page 223; 'Leblanc, \$116.'

Q. What did Mr. Leblanc do; is he an engineer; on board what vessel?—A. I think it is the *White Island*.

Q. A lightship?—A. Yes, sir, a lightship.

Q. He was in the employ of the department?—A. Yes, sir.

Q. Is there anything else against him?—A. I have nothing else. It is the only folio that I have.

Q. Now, Captain Belanger, what did he receive?—A. April 16, 1904, page 163, 'Captain J. B. Belanger, Quebec, \$30.' Next, October 16, page 251, 'Captain S. Belanger and J. A. Pettitt, \$445.'

Q. That was given to the two?—A. Yes, sir.

Q. As it was a short time back, it is impossible for you to tell us what sum you gave to each of them?—A. No, sir, I am not able. You understand that after four years I am not in a position to tell you everything that occurred.

Q. At all events, the two of them had that sum?—A. Yes, sir, the two of them had that sum.

Q. What is the next page?—A. December 20, 1906, page 317. 'Captain S. Belanger and Lacroix, \$55.'

Q. It is impossible for you to tell us how much each of them had?—A. I am not able.

Q. The two had it at all events?—A. It must be so.

Q. Is there any doubt about it?—A. If the two did not have it, it would not be charged.

Q. There would have been no such entry in the books?—A. There should not be any.

Q. Who is this Lacroix; is he an employee of the department?—A. I am not able to tell you. Are there any initials?

The counsel replies: I do not see any.

Q. You cannot say whether he is an employee of the department?—A. No, sir.

Q. Is that all for Captain Belanger?—A. Page 359, August 19, 1907, 'Captain S. Belanger, *Montcalm*, \$50.'

Q. Is there anything else for him?—A. No, sir, that is all for him.

Q. Next, Paul Bolduc?—A. August 12, 1904, page 183, 'Bolduc, \$12; August 13, 1904, page 183, 'Paul Bolduc, of the ss. *Druid*, \$15.'

Q. It did not astonish you to see him coming to you two days in succession to have money?

Mr. Marc Aurèle Lemieux, counsel for certain employees of the department, mentioned in the list, Exhibit No. 176, states to Mr. Perron that the witness did not say that.

Mr. Perron continues his examination of the witness:

Q. It did not surprise you to give money two days in succession, to the same person like that?—A. (The witness does not reply.)

Q. What is the next page?—A. September 7, 1904, page 187, ‘Paul Bolduc, of the steamer *Druid*, \$35,’ December 14, page 203, ‘Paul Bolduc, \$40.50’; December 19, page 205, ‘Paul Bolduc, of the steamer *Druid*, \$6.50’; January 13, 1905, page 209, ‘Paul Bolduc, *Druid*, \$7’; April 25, page 223, ‘Paul Bolduc, \$195’; July 3, page 235—pardon me, it is the 7th July instead of the 3rd—‘Paul Bolduc, of the steamer *Druid*, \$2’; September 5, page 243, ‘Paul Bolduc, of the steamer *Druid*, \$22.’

Q. Next?—A. There is enough to last till 6 o'clock.

Q. No matter, go on.—A. October 4, page 249, ‘Paul Bolduc, engineer on the *Druid*, \$80’; November 10, page 253, ‘Captain Charles Koenig and Paul Bolduc, \$93.’

Q. You cannot say how much each of them had?—A. No, sir.

Q. All that you know is that the two had it?—A. Yes, sir, the two had it.

Q. Then proceed.—A. January 23, 1906, page 265, ‘Paul Bolduc of the steamer *Druid*, \$10’; February 27, page 269, ‘Paul Bolduc engineer of the *Druid*, \$10’; April 2, page 275, ‘Paul Bolduc of the steamer *Druid*, \$10’; April 28, page 279, ‘Paul Bolduc, *Druid*, \$10.’

Q. Next?—A. June 20, page 285, ‘Paul Bolduc, *Druid*, \$5’; July 7, page 287, ‘Paul Bolduc of the s.s. *Druid*, \$15’; September 7, page 299, ‘Paul Bolduc, \$15.’ October 5, page 303, ‘P. Bolduc, \$60’; October 15, page 305, ‘Paul Bolude of the *Druid*, \$7.

Q. Next?—A. October 23, page 307, ‘Paul Bolduc of the *Druid*, \$12’; November 8, page 309, ‘Paul Bolduc, of the *Druid* \$10.’ November 16, page 309, ‘Paul Bolduc of the *Druid*, \$3’; January 25, 1907, page 323, ‘Paul Bolduc, engineer of the *Druid*, \$16’; February 12, 1907, page 327, ‘Paul Bolduc of the *Druid*, \$10’; February 21, ‘Paul Bolduc of the *Druid*, \$5’; March 20, page 331, ‘Paul Bolduc of the *Druid*, 10; April 3, page 333, ‘Bolduc of the *Druid*, \$5’; April 15, page 335, ‘Paul Bolduc of the *Druid*, \$190’; June 5, page 345, ‘Paul Bolduc, of the *Druid*, \$12’; June 22, page 349, ‘Paul Bolduc, of the *Druid*, \$15’; June 27, ‘Paul Bolduc, *Druid*, \$5.

Q. Next?—A. July 27, page 355, ‘Paul Bolduc, *Druid*, \$7’; September 6, page 361, ‘Paul Bolduc, *Druid*, \$31.’

What does this entry that I read, on page 361 mean: ‘J. U. G.,’ two tickets, Rivière Ouelle, \$10?—A. They are excursion tickets.

Q. How? Excursion tickets?—A. It was an excursion that took place and we bought tickets.

Q. It was an excursion that Mr. Gregory made?—A. It was an excursion that was made and we purchased tickets.

Q. Do you know what excursion it was? Do you recollect it when I read; ‘J. U. G. two tickets, Rivière Ouelle, \$10?’ Was it an excursion to his hotel?—A. Yes, sir.

Q. It was \$5 a ticket?—A. I cannot tell you. It included the meals.

Q. Ten dollars, it included the meals?—A. Yes, sir, and the room as well.

Q. At the hotel?—A. Yes, sir.

Q. Who went to that excursion, do you recollect?—A. Once I went myself, and there were nearly 300 persons; it is not easy to give all the names.

Q. What is the next page?—A. September 28, page 365, ‘Paul Bolduc of the *Druid*, \$35’; October 26, page 369, ‘Paul Bolduc of the *Druid*, \$15’; December 10 and 11, page 379, ‘Paul Bolduc of the *Druid*, \$5’; the 10th of December and the 11th of December, ‘Paul Bolduc of the *Druid*, \$10’; That is all for him.

Q. Now, take J. Van Koenig?—A. September 10, page 187, ‘John Koenig, engineer *Arctic*, \$40’; July 25, page 289, ‘John Koenig, of the ss. *Arctic*, \$2.’

Q. Is that all?—A. Yes, sir.

Q. Joseph Lemieux now?—A. September 15, 1904, page 189, ‘Joseph Lemieux, of the s.s. *Arctic*, \$15.’

Q. There is nothing else?—A. No, sir.

Q. You have \$35 here, on your list?—A. It is an error.

Q. G. Bélanger?—A. May 14, page 169, ‘Germain Bélanger, Quebec, \$7.50.’

Q. What does this Mr. Bélanger do?—A. He is a gas engineer.

Q. Where?—A. At the department.

Q. Here at the Marine Department at Quebec?—A. Yes, sir.

Q. Then? Go on?—A. June 28, 1904, page 175, ‘G. Bélanger, \$10’; ‘January 10, 1905, page 207, ‘Germain Bélanger, \$16.’ That is all I have.

Q. Captain Koenig?—A. October 20, page 195, ‘Captain Charles Koenig, \$15.’

Q. Was he Captain of the *Montcalm* at the time?—A. I am not able to tell you.

Q. Next, continue?—A. March 18, 1905, page 217, ‘Charles Koenig, \$350’; April 15, page 223, ‘Koenig, \$100.’

Q. Next?—A. April 25, page 223, ‘Koenig, \$125’; May 10, page 225 ‘Pettitt, Koenig and Fuller, \$275.’

Q. Do you know how much you gave to each of them?—to Fuller, Pettitt and Koenig?—A. No, sir, I do not know.

Q. You had so extensive a circle of acquaintances, that you could not recollect all of them?—A. That may be.

Q. Next?—A. November 10, 1905, page 253, ‘Captain Charles Koenig and Paul Bolduc, \$93.’

Q. Is it still impossible to tell us the amount that you gave to each of them?—A. Yes, sir, it is impossible.

Q. Then continue?—A. It is all I have for him.

Q. Now, O’Farrell?—A. November 4, page 197, brass tubes, C. D. O’Farrell, \$36.50.

Q. Will you explain this entry?—A. It is tubes of brass.

Q. What does it mean, brass tubes, G. D. O’Farrell’?—A. It is not easy to explain matters at so distant a date, when it is a question of a few weeks, or some days, one may recollect, but this was too long ago.

Q. Must I understand that G. D. O’Farrell obtained from you on the date given, money or goods, to the amount of \$36.50?—A. I do not recollect the transaction.

Q. Did Mr. O’Farrell have money or goods?—A. There is no doubt of it, since it is entered there, I have no doubt about it.

Q. Continue, what is the next page?—A. December 10, 1904, page 203 ‘George O’Farrell, inspector, \$65.00’; April 25, 1905, page 223 ‘O’Farrell \$207.00’; June 23, 1905, page 233, ‘Geo. D. O’Farrell and N. Dufour, \$100.00.’

Q. As in the other cases you cannot indicate how much each received?—A. No, sir. If it were an affair of yesterday I might be able to tell you, but it is too far back.

Q. Now, J. A. Pettitt, with respect to Mr. Pettitt, you examined your book yesterday evening, and your list is correct as to him?—A. Yes, sir, as well as I can make it out.

Q. At any rate, he did not receive less than what you have mentioned in the list, Exhibit No. 120?—A. No, sir.

Q. Now, E. Filteau?—A. January 10, 1905, page 207, ‘Filteau, \$25.00.’

Q. Who was he?—A. I do not quite know what he did at the time.

Q. You know that he was in the employ of the Marine Department?—A. I knew him as engineer of the *Druid* and as engineer of the light-ship *Anticosti*.

Q. Continue to enumerate what he received?—A. May 26, page 227, ‘Emmanuel Filteau, *Anticosti*, \$170.00.’ It is all I have.

Q. The next, Tasker. Tasker being absent we will not verify in detail what he received. Yesterday evening, you verified the figures and the amount that Tasker received, as shown on the list was not less than \$60.00 in any case??—A. I could not tell you.

Q. In that case, if you like, we will verify Tasker. What is the first page on your book?—A. May 24, page 227, ‘Tasker of the SS. *Champlain*, \$10’; May 29, 1905,

page 229, 'Tasker of SS. *Champlain*, \$10'; May 30, 1905, page 229, 'Tasker of the SS. *Champlain*, \$40.'

Q. Have you finished with Tasker?—A. Yes, sir.

Q. L. Gagné, now?—A. June 28, 1904, page 175, 'Gagné, \$10'; May 26, 1905, page 227, 'Louis Gagné of the department, \$15.'

Q. Next?—A. That is all for him.

Q. Now, Arthur Samson?—A. April 20, 1904, page 185, 'Arthur Samson of the department, \$2.'

Q. What does he do?—A. Now, he is entered on the list as being on board the *Galvestone*.

Q. What did he do at the time?—A. He was on board the *Seguin*.

Q. Next, continue?—A. June 9, 1905, page 231, 'Arthur Samson of the SS. *Seguin*, \$25.'

Q. That is all for him?—A. Yes, sir.

Q. Next, Leitch, at what page?—A. June 24, 1905, page 231, 'Leitch of the SS. *Seguin*, \$25.'

Q. He was the engineer of the SS. *Seguin*?—A. It was he who had charge of the *Seguin*, whether before Samson or afterwards, I do not remember.

Q. Is that all for Leitch?—A. Yes, sir.

Q. Joseph Ferguson, now. Your list was badly copied. Here they had placed Thomas Ferguson of the *Stanley*. Have you found Joseph Ferguson?—A. I never placed Thomas Ferguson on my list.

Q. It was an error of the copyist was it not?—A. Yes, sir. It was an error of the copyist most assuredly.

Q. Will you give the pages for Joseph Ferguson?—A. Yes, sir, July 22, page 237, Joseph Ferguson, of the *Minto*, \$5.'

Q. He was an enginer on board the *Minto*?—A. Yes, sir.

Q. Then, go on with Joseph Ferguson?—A. December 25th, 1906, page 317—(the witness examines his book for this date, and says): I must say my entry is not correct. I find nothing on the 25th December, 1906—it is the 20th December, 1906, instead of the 25th December, I find this entry on the 20th December, engineer of the *Minto* and Schmidt, \$225.'

Q. The engineer of the *Minto* was Joseph Ferguson?—A. Yes, sir.

Q. You canot give the proportion received by each of them?—A. No, sir.

Q. T. Theriault now?—A. February 10, 1906, page 267, 'Thomas Theriault, \$40.' December 20, 1906, page 317, 'Theriault *Champlain* and Captain McGaugh, \$225.'

Q. Impossible still for you to tell us the proportion received by each of them?—A. It is impossible for me to recall it.

Q. Then continue?—A. October the 5th, 1906, page 303, Theriault, Thomas, \$60'; November 22, 1906, page 311, Thomas Theriault, *Champlain*, \$100'; May 1, page 339, 'Thomas Theriault, of the *Champlain*, \$70'; May 21, page 343, 'Thomas Theriault, *Champlain*, \$100'; October 9, page 367, 'Thomas Theriault, engineer, \$164'; November 28, page 383, 'T. Theriault, \$75.'

Q. Is that all for him?—A. Yes, sir that is all.

Q. C. T. Schmidt at present; tell us what he received?—A. April 23, 1906, page 277. C. Thompson Schmidt, inspector, \$100'; December 20, page 217, 'Engineer of the *Minto* and Schmidt, \$225'; February 9, 1907, page 325, 'C. Thompson Schmidt, Quebec, \$101.50'; May 17, page 343, 'C. Thompson Schmidt, inspector, \$550.'

Q. What had been repaired at that date, the 17th of May, 1907?—A. I am not able to say.

Q. There must have been heavy repairs going on to have given \$550 to inspector C. T. Schmidt?—A. I do not recall the circumstances at all.

Q. Then go on with him?—A. June 12, page 347, 'C. Thompson Schmidt, inspec-
tor, \$378'; November 7, page 373, C. Thompson Schmidt, inspector, \$150'; November

15, page 375, 'C. Thompson Schmidt, Montreal, \$200'; November 28, page 377, 'C. Thompson Schmidt, inspector, \$294.'

Q. Next?—A. I see no others.

Q. Then Joseph Fontaine; what did he receive?—A. May 15, 1906, page 281, 'Joseph Fontaine, of the *Montcalm*, \$50'; August 7, page 293, 'Joseph H. Fontaine, Levis, \$52.'

Q. Was he the same man?—A. Yes, sir, November 27, page 311 'Joseph Fontaine of the *Montcalm* and Lecours, \$110.'

Q. Who is this Lecours?—A. That has nothing to do with the department.

Q. Next?—A. January 18, 1907, page 323, 'Joseph Fontaine, of the *Montcalm*, \$78'; January 26, 1907, page 323, 'Joseph Fontaine of the *Montcalm*, \$58'; February 11, page 327, 'Joseph Fontaine, *Montcalm*, \$25'; February 27, page 327, 'J. H. Fontaine, *Montcalm*, \$5'; March 21, page 331, 'Joseph Fontaine of the *Montcalm*, \$50'; August 17, page 357, Joseph Fontaine, of the *Montcalm*, \$250'; That is all I have for him.

Q. Now, Beauchemin?—A. April 14, 1906, page 203, 'A. E. Beauchemin, Chateau Murray, \$50.'

Q. What is that?—A. It must have been at la Malbaie.

Q. He was visiting there?—A. I suppose so.

Q. And you sent him a little present to pay his hotel expenses?—A. I do not recollect the circumstances. As I entered it in that way in my book, it is what I sent to him at the Chateau Murray.

Questions put by Mr. Marc-Aurèle Lemieux, counsel for Mr. A. E. Beauchemin.

Q. Did Mr. Beauchemin ask you for those fifty dollars, \$50?—A. I am not able to recall it.

Q. Do you know if he asked you to send him that sum for his expenses?—A. I do not remember.

Examination of the witness continued by Mr. J. L. Perron, K.C., counsel.

Q. Next? Go on with Beauchemin.—A. November 22, 1906, page 311, 'A. E. Beauchemin, inspector, \$175'; April 22, page 337, 'A. E. Beauchemin, inspector, \$625.'

Q. What did Inspector A. E. Beauchemin do, at the time for you to have given him \$625? Some heavy work must have been going on. Do you recollect the circumstances?—A. There are many circumstances that I do not remember, you understand with respect to all these persons.

Q. This one you are not able to recall?—A. No, sir.

Q. Let us go on with the next page.—A. I have no more for him on my list.

Q. For the present, Joseph Belanger. What have you down for him?—A. April 13, 1907, page 335, 'Joseph Belanger, Anticosti, L.S., \$5.'

Q. Next?—A. April 23, page 337, 'Joseph Belanger, Anticosti, \$5'; May 11, 1907, page 341, Joseph Belanger, \$15'; May 15, page 341, Joseph Belanger, Anticosti, \$5'; June 21, page 349, 'J. H. Belanger, G.G.S., Anticosti, \$100'; November 22, page 375, 'Joseph Belanger, Anticosti Light Ship, \$5.'

Q. Is that all for Belanger?—A. Yes, sir, that is all for him.

Q. A. Roy now?—A. April 15, 1904, page 163, 'Roy, \$18.'

Q. What Roy is that?—A. He is Roy of the *Princess*.

Q. What was he on board the *Princess*?—A. He was chief engineer.

Q. Next?—A. December 20, 1906, page 317, 'Roy, *Princess* and another, \$74.'

Q. Who is the other one?—A. That has nothing to do with the Marine Department.

Q. Then the entry in your book is like this: 'Roy, *Princess*, and another, \$74'?—A. Yes, sir.

Q. You cannot state the proportion of each in this \$74?—A. No, sir, I cannot.

Q. The next item?—A. December 28, 1907, page 383, ‘*Roy, Princess, \$10*’ that is all.

Q. Next? J. J. L. Richard?—A. November 21, 1907, page 375, Louis Richard, on the winch *Bird Rock*, \$25.

Q. What does that young man do?—A. He is employed by the department. He sees to the lights, the machinery. I do not know how he is designated.

Q. Then is that all?—A. Yes, sir, it is all, for him.

Q. Captain McGaugh now?—A. December 28, page 383—(the witness is interrupted by Mr. J. L. Perron).

Q. Is your list correct in this case? Have you verified it?—A. I have found \$25 for him. I have seen by his evidence that he admits he received more.

Q. The last on your list is Eugène Belanger; what did he receive?—A. April 2, 1904, page 161, ‘*Eugène Belanger, Constance, \$65*’.

Q. He was engineer on board the *Constance*?—A. Yes, sir.

Q. Then proceed, with him.—A. May 20, 1904, page 169, *Eugène Belanger, \$5*. That is all I have.

Q. At the request of Mr. F. X. Drolet, you have also prepared a statement of amounts received by Mr. Gregory, and you have given it to Mr. Drolet.—A. I have already given the amounts to him.

Q. Are these statements correct?—A. Yes, sir, they are correct to the best of my belief.

Q. These statements were taken from your books?—A. Yes, sir.

Q. Now, all these persons to whom you gave money and whom you have enumerated, were persons who certified your accounts, or saw to the repairs that you made on account of the Department of Marine and Fisheries?—A. Yes, sir, they were persons who gave the work, who saw to the certifying of the accounts, and who, under all circumstances outside the Marine Department did all they could to favour the house of Drolet. Under all circumstances, outside the Marine Department, they did favour the house of Drolet. People came to us from all parts, from all countries, to have work done, and they spoke to us of one or the other. The proof is that Mr. Drolet never placed any advertisement in the papers. We took that means of helping ourselves. We said, ‘It costs no more to give some money to our friends than to pay thousands of dollars to the newspapers.’

Q. To advertise?—A. Yes, sir. Every time any one came to us for advertising, Mr. Drolet said, ‘We do not need to advertise.’ In fact there were plenty of people who spoke in favour of his establishment; it was not necessary to sacrifice money for advertising, I can name them all to you, one after the other. I am under oath and I can tell you that they all did everything they were able to do for the house of Drolet, not only with the department but outside; on all occasions, there were those who said all they liked in favour of the house of Drolet. I am ready to say that.

Q. All they could do for the house of Drolet, they did?—A. Yes, sir, all they could do for the house of Dorlet they did. I am able to certify that.

Q. Now, Mr. Audibert, I am obliged to ask you a question. It annoys me, but I am obliged to ask it, nevertheless. All sorts of rumours circulate—Under the oath you have taken were the sums charged here on this book, handed by you to the various persons mentioned therein?—A. Yes, sir.

Q. There is no doubt of it?—A. No, sir; there is no doubt of it.

Q. And these sums, as you have already told me at the commencement of your deposition, were paid by you, hand to hand, when you were alone with the persons who received them?—A. Yes, sir.

Q. With the express understanding that it would never transpire?—A. It ought never to transpire either.

Q. And it is because you have been forced to speak, that you have been put on oath, that it has transpired?—A. Yes, sir.

Q. Otherwise it would have never have come out?—A. No, sir. I must add that a large number of these persons have made as much as I have made myself. A few of them were satisfied and have returned something to me. (The witness addresses Mr. Perron.) Do you understand? They made some returns personally to me. Suppose I give you something, no matter what, and, if it pleases you to be well treated, that you take a sum out of the amount that has become yours and has been so entered and give it to me. The full amount is charged to the individual in the books; but it may be that he did not keep it all.

Q. That is to say, to put it plainly, all these persons knew you were the book-keeper of the house of Drolet?—A. Yes, sir, it is very certain that they knew it.

Q. You gave large gratuities to these persons, in certain cases they were large amounts as appear on the books. Then, finding you so generous, when you gave them a certain sum, they returned you a small portion for yourself?—A. When it was not for myself they said, 'Make a present to your wife, to your daughter.'

Q. That is how it was usually in these cases?—A. Yes, sir.

Q. Can you mention who returned you certain amounts in the manner stated?—A. Certainly I could mention them.

Q. Then give us the names of those whom you recall—A. Narcisse Dufour, Stewart—I remember those.

Q. Yes, I understand; that is what I ask, those whose names you recollect.—A. Paul Bolduc, George O'Farrell—

Q. George O'Farrell returned you a few dollars?—A. Yes, sir; then, Pettitt, Thomas Thériault, Schmidt, Fontaine, Beauchemin; at the moment I do not remember the others.

Q. Those are the ones you recall at the moment?—A. Yes, sir.

Q. Did they return you large amounts?—A. No, sir, not large amounts.

Q. About how much did Mr. O'Farrell return you out of the amount that you gave him?—A. To the best of my belief he must have returned me one hundred dollars (\$100.00).

Q. You divided about in two?—A. No, sir, we did not divide in two.

Q. He kept more than he gave you?—A. To state that exactly is difficult. It was not yesterday. I cannot say, whether he gave me most of it.

Q. To give an exact account of what passes, let us illustrate, if you like, by the account of Mr. O'Farrell. I take Mr. O'Farrell because he is here, in a position to defend himself. Repeat a conversation between Mr. O'Farrell and you when he once returned you a few dollars, so that we may know what took place. You understand it is for illustration.

Q. I understand, but I do not know how to state it to you.

Q. Tell in your own way what occurred.—A. If my way is not correct—

Q. State exactly what passed; we shall be satisfied. That is what we want to know. State what occurred between Mr. O'Farrell and you once when he returned you money.—A. I would not like to make the situation worse than it is, nor better, either. I wish to speak of it as it is in reality. I cannot say that I am able to give you a satisfactory reply.

Q. Give the answer as your own judgment alone dictates; give it yourself to the stenographer. I leave it to you to reply, as you understand it?—A. If I remember aright, I said to Mr. O'Farrell, 'Always give; never receive.' I said, 'It is not very agreeable to me to do the work.'

Q. Mr. O'Farrell readily understood, he showed no reluctance, he took the money out of his pocket and gave it to you?—A. It was as you say, I cannot tell you exactly how it took place.

Q. In any case it must have come about in that way?—A. Yes, sir, I think so.

Q. It was something like that?—A. Yes, sir, it was something like that.

Q. This did not happen the first time you gave money to Mr. O'Farrell; it occurred after several payments?—A. I am unable to say when it occurred.

Q. It certainly was not the first time you gave money to Mr. O'Farrell that this took place, since you said to Mr. O'Farrell, 'I always give and never receive anything; it becomes tiresome.'—A. That was perhaps not my expression at the time.

Q. It was about that?—A. Yes, sir, it was about that.

Q. Had the house of Drolet a fund for these things?—A. There was no question of a special fund for the purpose.

Q. Did you ever say to any of the employees named on this list that the house of Drolet had a special fund to cover the gratuities?—A. I am not prepared to say that.

Q. You do not recollect saying so?—A. No, sir, I do not recollect saying that. I may have done so, but I do not remember it. Many things are often said more for bluff than anything else. When people so desire, all they say is not invariably the truth. When we tell our business to anyone, we do not need to give an account of it just as it is.

Cross-examined by Mr. M. J. Ahearn, counsel for Mr. George D. O'Farrel.

Q. Mr. Audibert, did you ever give money to George D. O'Farrell?—A. Did I ever give money to Mr. O'Farrell?

Q. Yes, that is the question; that is what I ask you?—A. Certainly, I have given money to Mr. O'Farrell.

Q. You swear that you gave him money?—A. I swore it just now.

Q. Why did you give him money?—A. Why did I give him money? It was because I found Mr. O'Farrell deserved something for the consideration he showed towards the house of Drolet. I got on very well with Mr. O'Farrell; we always treated him well. I never understood that Mr. O'Farrell gave me orders that he had no need of. I went to his store sometimes and persisted in asking for orders and he squarely refused. He was one who knew what he wanted. It happened ten times, or fifteen times, perhaps, for all I know, that I asked for orders which he squarely refused to give.

Q. Now do you recollect what was the amount that you gave to Mr. O'Farrell?—A. I remember; I gave it just now.

Q. You remember the amount of money that you gave to Mr. O'Farrell?—A. Do I remember? I do not understand you.

Q. Do you recall at this moment what amount of money you gave to Mr. O'Farrell?—A. No, sir.

Q. Do you recollect on what dates you gave it?—A. No, sir.

Q. Then on what ground do you state that you have given money to Mr. O'Farrell?—A. I base it on my entries, sir.

Q. Who sees to the books at Mr. F. X. Drolet's?—A. It is I.

Q. Are you the only one at the books?—A. There are two of us.

Q. Who is the other?—A. The other is Mr. Gagnon.

Q. Who made the entries showing that Mr. O'Farrell received money from you?—A. It was myself.

Q. It was yourself?—A. Yes, sir, it was myself.

Q. Are you able to swear that every one of these entries are in absolute conformity with the truth?—A. Yes, sir.

Q. Are you able to swear to that?—A. Yes, sir.

Q. Do you remember when you gave money to Mr. O'Farrell, the dates on which you did so?—A. No, sir.

Q. How is it that you can swear the entries in your books were in conformity with the truth?—A. Yes, sir, I can swear that the entries in my books were in conformity with the truth.

Q. How can you swear that?—A. That ought to be easy to understand.

Q. Explain that?—A. If I leave with a certain amount, to take it to you, and make my entry before doing so, I can very well swear that my entry was correctly made.

Q. You say that you entered these sums of money in your books, before giving them to Mr. O'Farrell?—A. I say that I entered them before leaving.

Q. You swear that each time you made an entry in your books in the name of Mr. O'Farrell you afterwards gave him the money?—A. Yes, sir.

Q. You swear that positively?—A. Yes, sir, I swore it not long ago. It seems to me once is sufficient. As often as you ask me the same question I shall answer yes.

Q. I am going to ask you something else now. Do not interrupt me. Reply to the question that I put to you and that is all—A. Do not insist too much either.

Q. If you persist in this line of conduct, I shall be obliged to have you made to answer by order of the Court—Now, how is it you recollect how you made these entries in your books and that you do not recollect on what dates you gave the sums of mney to Mr. O'Farrell?—A. I do not know whether a man who makes entries in books is able at the end of three or four years to recall them.

Q. How is it that you remember how you made these entries?—A. My dear friend, I did my business before leaving. I made my entries before leaving. I went with little memoranda in my pocket. After I finished I tore up my little scraps.

Q. Now, had you instructions to do that?—A. My instructions? I took my instructions from myself.

Q. You took your instructions from yourself, to act in this way towards the employees of the Marine Department?—A. Yes, sir.

Q. Now, did Mr. O'Farrell ever ask you for money?—A. Must you know, absolutely.

Q. Yes, since I asked you. The question is there.—A. Yes, sir, he did ask me.

Q. When did he ask you for money?—A. On a date that I do not recall.

Q. You do not remember?—A. I recollect that he asked me for money once.

Q. How much money did he ask you for?—A. How much he asked for? I do not recollect.

Q. You do not remember that either?—A. No, sir.

Q. How much did you give him that time?—A. I do not recollect it now.

Q. You do not remember?—A. No, sir.

Q. Have you an idea of the amount of money that you gave him that time?—A. No, sir, I do not recall it.

Q. Did you make an entry in the books of the amount that you gave him?—A. Yes, I made the entry at the time.

Q. Where would you have given the money?—A. It must have been in his office.

Q. Are you certain of that?—A. I gave it to him in his office.

Q. But on that occasion; are you certain it was in his office—on the occasion when he asked you for money, was it in his office that you gave him the money?—A. Yes, sir, it was in his office.

Q. You are certain of that?—A. Yes, sir.

Q. Did you give it to him immediately?—A. No, sir.

Q. Did you speak to Mr. Drolet about it?—A. It happened that I said to Mr. Drolet, 'I have several things to do to-day. If you like sign this cheque. I have to see my friends'. He signed the cheque. I went away with it. There is no further information.

Q. Can you produce those cheques?—A. No, sir, I did not give the cheque to anyone.

Q. But you cannot produce the cheques in question, signed by Mr. Drolet?—A. I have not got the cheques; the package that you see besides the safe consists of cheques. None of these cheques are endorsed by anyone.

Q. Have you asked money from others besides Mr. O'Farrell?—A. Not that I remember.

Q. Mr. O'Farrell is the only one whom you asked for money—A. I did not ask Mr. O'Farrell for money. I said, 'Always give, and never receive'; it is not very agreeable to me; something of that sort.

Q. Is Mr. O'Farrell the only one to whom you said that?—A. I believe not. I cannot state precisely how things occurred. You understand so many things are said and so much is done it is impossible to-day to keep it all in mind and to reply so precisely.

Q. From how many persons who figure on the produced list, have you received money?—A. I mentioned them just now.

Q. It was done as you stated?—A. Yes, sir.

Q. Then about how much did you receive back for yourself?—A. I should have a great deal of trouble to tell you; any more than any of them can recall the amounts they received.

Q. You admit that you also made money out of it?—A. It put me to a great deal of expense; I had much to do to meet many of these people. I had expenses. It helped me to keep intact my own earnings, that I received from the house of Drolet.

Q. To whom belonged the money you gave in the manner stated to the persons named on the list?—A. It certainly was not mine.

Q. It was not your money?—A. No, sir.

Q. Whose was it?—A. It must have been Mr. Drolet's money.

Q. Did Mr. Drolet ever authorize you to do that?—A. He never authorized me.

Q. Did you speak to him about it?—A. I spoke to him about it. It is certain that whenever I did so, if he was reading his journal, if I spoke to him on any subject whatever, he made for the door and went out. I was never able to obtain satisfaction in any way. When I go to him to speak on the business of the shop, if it does not suit him he leaves and makes no reply.

Q. Why did you not make two entries; why did you make but one entry only of the sums of money given to the employees of the Marine Department like Mr. O'Farrell and others?—A. Why? I do not know why.

Q. Why did you not make two entries, one entry for each man?—A. I do not know why.

Q. Should you not have made two distinct entries?—A. Yes, sir, in order to inform myself to-day, I ought to have done so.

Q. At that time also?—A. If anyone had come at the time and asked me what amount I had given to each, I would have been able to tell him. When it is a matter of two or three days, four or five days, I could recall it. Suppose my employer, had asked me how much I had given to each, I might have recalled it. To-day it is too long ago.

Q. You mentioned a picnic some time back. Who paid the fare for that picnic, was it you?—A. When we go anywhere generally we pay for it out of our own pocket.

Q. Reply to my question. Was it you who paid your fare on that picnic?—A. I went; I don't know whether it was once or twice. I know that, once, Mr. Drolet gave me a ticket. I believe that Mr. Therault also gave me a ticket, and I paid for the third, for my little daughter, I bought the third with my own money for my daughter.

Q. Who paid your board at Mr. Gregory's?—A. It was paid by the ticket.

Q. Now, you have an entry, dated the 4th of November, that reads as follows: 'Brass tubes, G. D. O'Farrell, \$36,50.' What does that mean?—A. I do not remember.

Q. Does it mean that you gave money to Mr. O'Farrell?—A. Yes, sir, it was money, since it was entered in the cash-book.

Q. Answer my question direct. Does that entry mean that you gave money to Mr. O'Farrell?—A. Yes, sir, it was money that I gave him.

Q. Why did you give him that money?—A. If it was entered 'brass tubes,' it was for brass tubes.

Q. Did that concern the Marine Department?—A. I cannot tell you.

Q. You cannot say?—A. No, sir.

Q. But you are prepared to leave that on your books, as a charge against Mr. O'Farrell, as having received money from you, or as having given him brass tubes?

Explain that to us. What does that entry mean?—A. It means that I placed that amount in Mr. O'Farrell's hands; if I entered 'brass tubes' it was for brass tubes.

Q. Do you know whether it was for him personally or for the department?—A. That I do not know, any more than you.

Q. In 1904, you have another entry in your cash-book: 'George D. O'Farrell, \$65.' Did you give him that?—A. Certainly, if it is entered in my book, I gave him that amount.

Q. Where did you give him that amount?—A. I do not know.

Q. Why did you give him that? Why did you give him that amount of money?—A. It was the same thing as before. It was because Mr. O'Farrell was a good lad and it was because when Mr. O'Farrell had work to be done for the department he sent it to our shop. He liked to have good work, and we did good work for him. He even took trouble to prevent work going to strangers. He made favourable reports on account of the house of Drolet. I was aware at various times of Mr. O'Farrell having written letters to the Marine Department at Ottawa, or having Mr. Gregory write them, stating that the work could be done at Mr. Drolet's and that he had himself declared that difficult pieces of work had been manufactured by the house of Drolet. Once he brought a Mr. Noble, if I remember aright. (The witness addresses Mr. O'Farrell, who is present at the examination: Was there a Mr. Noble in the department?) He brought a Mr. Noble, who had a difficult piece of work to be done. Mr. O'Farrell had recommended him to the house of Drolet as the only one in Quebec, as the only man who could do work of that kind and make a good job of it—something of that sort.—When a man makes such recommendations, it is not a matter of remunerating him for work he has influenced directly from the department for us, but of remuneration for what he did outside of his business without being obliged.

Q. Now, you have an entry dated the 23rd of June, 1905: 'Geo. D. O'Farrell and N. Dufour, \$100.' Why did you place Mr. O'Farrell with Mr. Dufour?—A. It was because I had two to meet that day?

Q. Was it not to prevent verification up to a certain point that you made that entry of the two names?—A. No, sir.

Q. So that they could not verify you, that is, verify your entries?—A. No, sir.

Q. Or, if you like, that they could not check you?—A. No, sir. I had no fear of that. I have been with Mr. Drolet twenty-four years and some months. I asked Mr. Drolet fifteen years ago, to replace me, and he was not willing.

Q. That is not a reply to my question.—A. It is, perfectly.

Q. Now, is it possible, or, rather, is it not possible, that you might have made an entry in your books, without giving him the money?—A. It is not possible.

Q. You swear that?—A. Yes, sir, I swear it is not possible.

Q. Now, have you no understanding with another person as well to swear against Mr. O'Farrell?—A. I! an understanding with another to swear against Mr. O'Farrell!

Q. My question is there. You can reply to it.—A. To swear against Mr. O'Farrell. I do not take your meaning at all.

Q. Answer me, yes or no.—A. I do not understand you.

Q. The question is as follows: I ask you if there is not a plot between you and another to injure Mr. O'Farrell.—A. None at all.

Q. You swear that positively?—A. Yes, sir.

Q. You understand my question?—A. Yes, sir, I understand it.

Q. Was there not a plot between you and one named Côté, your friend, to swear against Mr. O'Farrell?—A. No, sir.

Q. Did you speak to Mr. Côté as to the evidence he should give in this cause?—A. I asked Mr. Côté—(The witness is interrupted by Mr. Ahearn)—

Q. What was it that you asked Mr. Côté? Tell us.—A. I asked Mr. Côté what he would say if the question was put to him whether he had given money to Mr. O'Farrell. He said: 'I will not perjure myself. I am going to say yes.'

Q. When did you ask Mr. Côté that?—A. Since the inquiry began, I do not know when.

Q. If Mr. O'Farrell had not been employed by the Marine Department would you have given him money?—A. I would not have known him, if he was not employed by the department.

Q. You would not have known him if he had not been employed by the department?—A. No, sir, I should not have known him, probably.

Q. If he had been employed on a steamer, or if he had been an employee of Thérault and Racine, would you have made him those payments?—A. It often happens that we make them.

Q. If he had given you work, you would have paid him?—A. We paid for the consideration people showed for the house of Drolet.

Q. Did you not make use of such a system of payments, gratuities, to put money in your own pocket?—A. No, sir.

Q. Did you never pass sums of money into your own pocket?—A. No, sir.

Q. You swear that?—A. Yes, sir, I swear it.

Q. Did it not happen to you once?—A. No, sir.

Q. You are certain of that?—A. Yes, sir, I am certain of that.

Q. Why did you give money two days in succession to Captain Bolduc?—A. Why?

Q. Yes, why?—A. It was because it was so given.

Q. Now, Mr. Audibert, what is your own salary?—A. I have twenty-five dollars (\$25.00) that I receive regularly, as well as a bonus of four hundred dollars (\$400.00) per annum.

Q. You have twenty-five dollars (\$25.00) salary per week?—A. Yes, sir, I have a salary of twenty-five dollars a week, and I receive a bonus of four hundred dollars (\$400.00) a year.

Q. Are you an owner of property, Mr. Audibert?—A. Yes, sir, I am a property owner.

Q. You are the owner of this house?—A. Yes, sir.

Q. Have you any other properties?—A. No, sir.

Q. You swear that?—A. I have others registered in my name; they are not my properties.

Q. How is it that such properties are registered in your name and do not belong to you?—A. It is because I lent money on them.

Q. How much property have you registered in your own name?—A. I think that I have one—a small one.

Q. Have you any properties registered in your wife's name?—A. I have a small piece of ground here, at the side.

Q. How much is it worth?—A. I paid \$480 or \$580 for it.

Q. How much is this house worth?—A. Four thousand dollars (4,000) I suppose.

Q. How much money have you lent on the other properties?—A. My brother owes me about \$175 I believe, on property registered in my name.

Q. Is that all?—A. Yes, sir, it is the only house in my name aside from my own.

Q. Now, how much money have you in the bank?—A. Am I obliged to answer you?

Q. If you refuse to reply, we will refer the matter to the Commissioner.—A. In that case I would like you to refer it.

(Mr. AHEARN, counsel for Mr. O'Farrell, addresses the Hon. Mr. CASSELS, and says:—‘The witness asks permission not to answer the last question I put to him, unless the Commissioner so directs.’)

(The Hon. Mr. CASSELS, addressing the witness, says:—‘You would do best to answer, because the counsel for Mr. O'Farrell desires to show that the various amounts you charged to the employees of the Marine Department were converted to your own

use, and that in charging such sums to the employees of the department you used them to enrich yourself. My decision, therefore, is that you must answer.)

By Mr. Ahearn, counsel for Mr. O'Farrell:

Q. Now, how much money have you in the bank?—A. If you wish to know exactly I will look. I do not know. If you wish to know exactly I will examine.

Q. Tell us nearly?—A. About eight or nine hundred dollars?

Q. In all the banks?—A. Yes, sir, in all the banks.

Q. Would you be prepared to produce your books, your accounts, showing that?—A. My bank books? Certainly.

By Mr. J. L. Perron:

Q. Have you them here?—A. I think so. (The witness looks for his bank book.)

Q. Bring them out while we are here.—A. Here they are. My bank book shows a credit in my favour of \$1,600. Certain cheques have not been cashed at the bank and are consequently not charged in my bank book. My cheque stubs show a balance in my favour of four hundred and some dollars; four hundred and seven dollars and ninety-three cents (\$407.93).

By Mr. Ahearn, counsel for Mr. O'Farrell:

Q. Have you any objection to depositing this in court. (The counsel indicates the bank-book to the witness.)?—A. I do not know why I should deposit them. You can examine them as much as you like. As you see it is not a matter arranged in advance, I was not aware you were going into my personal affairs.

Q. Then leave them on the table.—A. Very well.

Q. Mr. Audibert, is your list sworn to, the list you produced some time back?—A. I understood that Mr. Perron put me on oath. I said this list was made to the best of my knowledge.

Q. Now, is it true that within four years there have been two defalcations at Mr. Drolet's. You know what the word defalcation means—a theft. Is it not true that two thefts were committed at Mr. Drolet's?—A. Yes, sir.

Q. Two embezzlements of funds?—A. Yes, sir.

Q. Do you know who committed those embezzlements?—A. Yes, sir.

Q. Who?—A. I don't know whether I ought to reply to that question. I don't know that it is necessary to make the names public, now, when Mr. Drolet did not care to have them known.

By the Honourable Mr. Cassels to Mr. O'Farrell's counsel:

You have a good right to put the question to him directly for the purpose of eliciting whether he is one of the defaulters. I do not think, if he is not one of the defaulters, that you can ask him to make public the names of these defaulters.

(Mr. AHEARN, counsel for Mr. O'Farrell, withdraws the last question.)

Q. Did you profit in any way by those defalcations?—A. If I profited? What I think of having profited is, that I have profited by the increased esteem of Mr. Drolet.

Q. Were proceedings taken against authors of those thefts?—A. No, sir.

Q. Why?—

By the Honourable Mr. Cassels to Mr. O'Farrell's counsel:

I believe that question should not be put.

Mr. AHEARN withdraws the last question and continues.)

Q. Is it not true that you have advanced, that you have paid certain sums towards the election funds.

By the Honourable Mr. Cassels to Mr. O'Farrell's counsel:

I believe this question should not be put.

Mr. AHEARN withdraws the last question and continues.)

Q. Is it not true that the sums entered in your cash book as having been paid to Captain O'Farrell were given for election subscriptions to others than to Mr. O'Farrell?—A. No, sir.

Q. Are you certain of that?—A. I am positive of it.

Q. Did not Mr. Drolet receive complaints that you had overcharged certain of his customers?—A. I do not know whether I ought to answer that question.

(The question is not allowed by the judge.)

Q. Were the accounts that Mr. O'Farrell certified signed for Mr. F. X. Drolet, just and reasonable?—A. Certainly.

Q. Is it not true that you had a dispute with Mr. O'Farrell some years ago?—A. Yes, sir.

Q. Is it not true that you asked Mr. O'Farrell to certify an account for goods, not then delivered to the Marine Department and he refused?—A. No, sir, that is not the case.

Q. What was the origin of the dispute?—A. It was not that. You wish to know the cause of the dispute.

Q. Yes, that is what I ask for?—A. It was in Mr. Gregory's office. I was with Mr. O'Farrell, Mr. Gregory asked who delayed the work on the Red Island lightship. Mr. O'Farrell was face to face with Mr. Gregory. He turned to me and said to Mr. Gregory: 'It depends on him if the work is not done.' I looked at Mr. O'Farrell and said, 'You are not serious, Mr. O'Farrell.' He flew into a temper. He commenced to say that made thirty years he had been in the Marine Department; he knew what he had to do; he said that he had no need of a cursed Canadian to tell him anything about his business. I said that it took a cursed Irishman like him to treat a man as a cursed Canadian. I said, 'Since you treat me as a cursed Canadian, you are nothing but a cursed Irishman.'

Q. Is it not the fact that what you have been stating, that the words you have mentioned, were not uttered by Mr. O'Farrell? Is it not true that Mr. Gregory did not allow people to talk like that before him?—A. Mr. Gregory made no scruple when it was a question of talking about a curse or a baptism.

Q. Did Mr. Gregory permit his subordinates to thus treat people as 'cursed,' or anything like that?—A. Yes, sir, he permitted it in my case.

Q. Is it not true, Mr. Audibert, that you are afraid after this affair is finished that Mr. O'Farrell will proceed against you for damages, and that it is for that reason that you have entered into a plot with Mr. Côté to ruin Mr. O'Farrell?—A. I fear nothing.

Q. You swear that you have not plotted with Mr. Côté to ruin Mr. O'Farrell?—A. Yes, sir, I swear that I have plotted with no one.

Q. Mr. Côté is one of your friends, is he not?—A. Yes, sir.

Q. He is a great personal friend of yours, is he not?—A. I go to Mr. Drolet's; he goes there; we meet, and I speak with him in that way, as with any one else.

Cross-examined by Mr. Marc Aurèle Lemieux, counsel for certain employees of the department:

(Mr. LEMIEUX states that he appears for Mr. Louis Gagné, Narcisse Dufour, E. Nolet, Paul Bolduc, Germain Bélanger and Albert Beauchemin.)

Q. You said, some time ago, Mr. Audibert, that you gave \$15 to Louis Gagné?—A. Yes, sir.

Q. Why in two words did you give him that—those \$15?—A. For the same reasons as with the others. Mr. Gagné on various occasions was useful to me.

Q. Has Mr. Gagné done you any favour to the detriment of the government for those \$15?—A. No, sir, not that I remember.

Q. Is it not true that one evening among others you asked Mr. Gagné after his work to help your people to install an engine, or a boiler on board a steamer?—A. Yes, sir.

Q. And is it not true that another time you asked Mr. Gagné for his experience and his services when there was a question of getting off the *Ste. Croix*, which was on the stocks, and that he helped you outside of his hours?—A. He never minded that. When I asked him to do me favours, he never refused me.

Q. He never refused to give you his services outside of his hours, when you asked him?—A. No, sir, he never refused me.

Q. He worked for you outside his hours?—A. Yes, sir, he worked for us outside his hours.

Q. Mr. Gagné is a good employee of much capacity, is he not?—A. I am not able to appreciate his capacity, because I am not in the trade.

Q. At any rate he is a man known for his experience; he is a good carpenter, is he not?—A. Yes, sir.

Q. Was not the \$15 that you gave him, intended to recompense him for the overtime and the service he was able to render you outside his hours?—A. Yes, sir, it was, at the same time for—(The witness is interrupted by Mr. J. L. Perron.)

Q. It was, at the same time, because he was an employee of the Marine Department, was it not?—A. Yes, sir, he was a man supposed to be favourable to us.

By Mr. Marc-Aurèle Lemieux:

Q. You say he was favourable to you?—A. Yes, sir.

Q. What do you understand by being favourable to the house of Drolet?—A. What do I understand? It is when a man says something for the good of the shop.

Q. That is to say, if I understand you correctly, outside his time at the office or place of business, Mr. Gagné spoke well in favour of the house of Drolet and sent you customers?—A. Yes, sir, outside his office time and his business.

Q. And it was for that you gave \$15 to Mr. Gagné?—A. It was in consideration that he was a gentleman and a good fellow.

Q. Now, to settle the case of Gagné, did you ever ask him for an order when unnecessary to the department, or did you ever ask him to accept inferior materials in quality or quantity, in return for the \$15 that you gave him?—A. There has never been a question of that.

Q. There has never been a question of that?—A. No, sir.

Q. Did Mr. Gagné ever ask you for money himself; did he ask you for those \$15?—A. I do not recall it.

Q. Is the \$15 all that you gave to Mr. Gagné?—A. According to what I was able to find in my books, that was all I gave him.

Q. As a matter of fact, it was to obtain favours that you gave money to these persons?—A. Favours? Nothing from the department. It was to bring people to speak well of us.

Q. That is to say, it was to serve as an advertisement of the house of Drolet?—A. Exactly.

Q. Have you ever given money to any one of the twenty-eight employees who are suspended, to have them accept materials of inferior quality or of less quantity, or to prevent materials being 'culled' or refused, and to save money for the house of Drolet?—A. Never, sir.

Q. You took upon yourself then, three-quarters of the time, without speaking to the 'boss', Mr. Drolet, to take money, certain sums of money, and then you went and distributed presents, as you said?—A. Yes, sir.

Q. Did you act as a public tempter, trying to influence these persons to do their

duty badly, or to induce them to do wrong, or was it simply as a present, that you gave it to them, without asking them for anything?—A. It was simply as a present.

Q. To begin with, three-fourths, or seven-eights of these persons certainly could not themselves give you work?—A. No, sir, they would have to go to the authorities. I became aware, on various occasions—(The witness is interrupted by Mr. Lemieux.)

Q. Let us speak of the Gagné case, not to get mixed?—A. I must mix; you spoke to me about twenty-eight employees—I became aware on various occasions that the head of this or that department arrived at the department with an order to have the work done at Drolet's. I was there, and father Gregory said no; to send the work elsewhere, although the person said 'I shall do all I can to send the work to you.'

Q. As a matter of fact, these persons even when they desired to do you a favour, no matter what, were not able to do so, because they were checked by Mr. Gregory?—A. Yes, sir, no matter what was to be done, they were obliged to ask Mr. Gregory.

Q. It was not they who fixed the price?—A. No, sir.

Q. Then you paid these persons to obtain favours, and they could not do them?—A. They did not give the work; they communicated with Mr. Gregory.

Q. Is it within your knowledge that far from doing you favours Mr. Gagné on one particular occasion, refused work that you had done, such as plates, for example?—A. There was a misunderstanding.

Q. Is it not true that on the occasion in question you went with two plates, that cost a couple of hundred dollars each and that Mr. Gagné refused to accept them, saying he had only ordered one, and then you told him to take the two because the workmen had failed in casting the first and you insisted on his accepting both and he squarely refused?—A. I think he could not accept both; the other was made as one only.

Q. As a matter of fact, you offered both plates to Mr. Gagné?—A. No, sir, it was not in that way. Mr. Gagné came to the shop with an engineer or an inspector; if I mistake not, it was Mr. Pettitt, who acted as inspector of the work. He had found the plate too thin and then Mr. Gagné said, 'Make another one, thicker.' I had made out one account for the two plates. I wrote plate in the singular instead of the plural, and the two were included in the account; then the engineers, or the inspector, said that one plate only—they took one only, of such and such a thickness. Seeing that two were charged in my account, they counted the one that was delivered to the department. Mr. Gregory sent for me, he said that my account was not correct. I said, 'It is very easy to understand. Mr. Gagné told me to make the plate one inch thick, and at one inch the casting warped; it could not be made. Then we made another one.'

Q. To finish with Mr. Gagné. Is it not true that under no circumstances have you received any favour from him, either in money or in anything else, any special favour in money or anything else?—A. I am not prepared to say no, because Mr. Gagné, when I wanted goods, materials or any tools—there were the—I do not remember what they call it in French, 'chalands' (barges), I think. Mr. Gagné could say not to lend them to me. If he wished I could not have had them. I asked Mr. Gagné for them. Mr. Gagné said, 'Go and see the agent.' The agent sent for Mr. Gagné. Mr. Gagné said to him. 'We can have them ready in a moment.' That did the business for my employer.

Q. The department had need of these barges?—A. Yes, sir. They lent them to us to make use of in carrying our materials.

Q. Then they were returned to the department?—A. Yes, sir; they were returned to the department, they are the property of the department. Only when a foreman in the department will not lend them, we do not get them.

Q. When he wants to be silly as is vulgarly said?—A. Yes, sir, when he acts silly he does not lend.

Q. Now, you stated that Narcisse Dufour received money, did you not?—A. Yes, sir.

Q. How does it happen that the list you gave to Mr. Drolet and which was produced to the court by him the other day, is not at all the same as to-day's; that the amounts are not the same? (The witness does not reply).

(Mr. J. L. Perron, addressing Mr. Lemieux):

Q. What difference is there?

Mr. LEMIEUX.—Take the case of Mr. O'Farrell, for instance.

Mr. J. L. PERRON to the witness.—Repeat the explanations you gave just now on the subject of the difference that there may be between the two lists.—A. When one works in the middle of the night, in the weak state in which I am, you understand that one may pass over a name or a figure.

By Mr. Marc-Aurèle Lemieux:

Q. Then it is by mistake if the two lists are not alike?—A. Yes, sir, it is by mistake. What does not agree with the list that I have given is an error.

Q. Now, as to what concerns Dufour, Nolet and Belanger; these persons received money from you, did they not?—A. Yes, sir.

Q. How did you give it to them?—A. I gave it to them in passing.

Q. In secrecy, I suppose?—A. Yes, sir.

Q. You kept the secret from every one?—A. Yes, sir, they did not know what I did with any one else.

Q. How is it, as you wished to keep it secret, that you entered it in detail in your books?—A. It was in case Mr. Drolet at any given moment might have wished for information; it was to clear myself; it was not to commit others; it was to clear myself with Mr. Drolet.

Q. Did you ever inform Mr. Drolet that you kept part of the sums; that a portion of what you gave to employees of the Marine Department returned to you?—A. I do not know whether I should reply.

Q. Go on; the question is direct. I wish to know from you if Mr. Drolet your employer knew, before this investigation, or if you told him, that of the moneys you gave to employees of the Marine Department, a portion came back to yourself?—A. A small amount returned to me.

Q. No matter, you did not tell him?—A. No, sir, I had no business to tell him.

Q. It did not appear in your books that a part of the money that you gave to Marine employees came back to you?—A. No, sir, it did not appear in my books.

Q. You reserved that honour for the employees of the department only?—A. certainly.

Q. How much money did you receive yearly from those employees,—\$100.00, \$200.00, \$500.00?—A. I have no idea.

Q. You have no idea at all?—A. I never entered it. I never made any entry of that. I cannot precisely state.

Q. Is it not true that the more often you gave money to these persons, the more often it would return to your own pocket?—A. Those that I mentioned, just now.

Q. Those, or others?—A. How, others?

Q. Others that you did not mention?—A. I mentioned those that I remembered.

Q. The question is this: The more often you gave money to these workmen the more often you received the benefit?—A. It was not like that. It was not repeated when it was not due or when a person had no right to receive it.

Q. As another matter of fact, you said that none of those I named to you asked you for money under any circumstances; you said just now that there was only one who asked you for money, and that was Mr. O'Farrell?—A. No, sir, I did not say that. I think that you are making that up.

Q. On the oath you have taken, Mr. Audibert, did Mr. Dufour, Mr. Nolet, Germain Bélanger, Paul Bolduc and Albert Beauchemin under any circumstances ever ask you for money?—A. Yes, sir.

Q. Who are those who asked you for money, and when did they ask you?—A. I am not able to tell you.

Q. Tell us when they asked you for money?—A. I do not know when.

Q. Who, among those, asked you. Take Louis Gagné to begin with; did he ask you for money?—A. I do not remember as to him.

Q. Narcisse Dufour; did he ask you?—A. Yes, sir.

Q. How did he ask you, and under what circumstances did he ask you, for money?—A. I do not recall the circumstances; I know that he asked me for money.

Q. You do not know under what circumstances?—A. No, sir.

Q. Tell us in what year?—A. All the years that appear on the list that I have given.

Q. When did he ask you; and on how many occasions did Mr. Dufour ask you? Tell us the circumstances, and how many times he asked you?—A. The circumstances and the times I am unable to tell you. It was just according to the pages you have seen, the folios that are there.

Q. I wish to know, as a matter of fact, if those I named to you just now have done anything whatever, with you or by your means, if they have done anything illegal or contrary to the interests of the Marine Department?—A. I do not remember.

Q. If it had occurred would you remember it?—A. I ought to recollect it.

Q. Now, you have produced the bank-books: will you say how it happens that in your bank-book it appears that on the 1st of October, 1906, you deposited \$641.00 in the bank, and that on the 28th of November, a month after, you deposited \$318.00 as well, nearly \$1,000 in one month. From what source did that come?—A. I am collector for the Artizans. There are days when I take out \$300 and days when I deposit \$300.

Q. Can you say whether you deposited the money coming from the Marine employees?—A. It must have been.

Q. Will you tell us,—will you be so good as to produce the cheques that Mr. Drolet gave you to distribute money among the workmen of the Marine Department? All the cheques?—A. If I will produce them?

Q. You said just now, did you not, that Mr. Drolet gave you cheques?—A. He signed a cheque for me to pay the employees.

Q. Will you produce all and every one of the cheques that Mr. Drolet signed to enable you to obtain the money to pay the employees of the Marine Department?—A. My dear sir, I do not know them.

Q. You swear that you do not know them?—A. No, sir, I do not know them, I swear that.

Q. Not one?—A. No sir.

Q. The cheques must have been drawn the same day, I suppose, that these persons were paid?—A. There were times when I placed that in an envelope; something occurred, and I did not go down to Lower Town.

Q. They must have been drawn the day or the day after the persons were paid?—A. Sometimes it might have been left in the box. I might have made the entries at the end of December and given it (to them) in the course of January, when I saw them.

Q. Will you refer to your books, and tell us when the cheques that Mr. Drolet signed for you, to pay monies to the employees of the department, were cashed at the banks?—A. That will be a pretty difficult matter, because I not only took certain cheques for that, but we received a great deal of money at Mr. Drolet's. I took the money and when I had sufficient I did not make out cheques. Then I never gave out those cheques; I changed them at the bank, or at the Caisse d'Economie, or at Messrs. Delisle and Dion's.

Q. They were cheques payable to bearer and endorsed by you?—A. No, sir, they were not endorsed by me.

Q. By whom were they endorsed, to get the money?—A. By no one. I was known as clerk in the house of Drolet.

By Mr. Perron:

Q. You must have been popular as well?—A. Yes, sir, I was pretty popular.

By Mr. Lemieux:

Q. So that you cannot produce any of the cheques signed by Mr. Drolet that were used for giving money to the employees of the department?—A. If you would look at them they are all there before you. There are several thousands.

Q. And as a last question, these persons all of whom you spoke just now, have never accepted materials of inferior quantity or quality from the house of Drolet?—A. No, sir.

Q. And the only object with which you gave that money to the employees of the department was, as you say, because outside of their work they spoke well of the houses of Drolet?—A. The only object; I said so, just now.

Q. It was because, outside of their work, through their friendships or the acquaintances they had at the Marine Department, they sent customers to you?—A. It was for what they did for us in every way.

Q. In every way? I wish to specify it further. I ask if that was not the object for which you gave money to employees of the Department namely, what I asked you just now, that, outside of their work, they spoke in favour of the house of Drolet? Was it not for that you gave them money, that from time to time you made them presents?—A. It was for what they did for us, in every way; that includes everywhere.

Q. That includes what?—A. It comprises the efforts they made in the department and outside.

Q. What do you understand by the efforts they made in the department?—A. That they speak well of the house of Drolet when a head of the department has work to give out.

Q. You know that it is not he who gives it?—A. That makes no difference.

Q. That is to say, you pay a man for favours he cannot himself give?—A. He could help to secure them.

Q. In what way could he help to secure them?—A. By saying that we had a good workshop, by saying that they never had trouble with the house of Drolet, and that they could have work done at Mr. Drolet's.

Q. It was true, as well, that you did good work?—A. Yes, sir, it was true but they said it nevertheless.

Q. As a matter of fact, you were the only house in Quebec,—the only government contractors, in your line?—A. I think we were the only one on all the list, but there are other places where the department might get work done.

Q. Why then did you pay people, since you were the only contractor for the department in your line? It was giving away money for nothing?—A. One should be free to give one's money where one wishes.

Q. For nothing, even?—A. If Mr. Drolet gives me a bonus of \$400 a year, it is his own affair.

Q. You work for him?—A. The others worked for us.

Q. In what manner did they work for you?—A. I believe I have stated that several times. Are we going to often repeat the same thing?

Q. I wish to know from you, Mr. Audibert, in what manner the employees of the department that you paid worked for you?—A. I told you. They lost no opportunity on all occasions of being favourable to us.

Q. To speak well of the house?—A. Yes, sir, to speak in favour of the house of Drolet.

(Mr. Ahearn, counsel for Mr. O'Farrell, again puts certain questions to the witness:)

Q. I see here that you have a book for the Bank of Quebec, St. Roch branch, and that the balance shown on the book is \$1,030.19. Is not that so? Do you see that?

(The witness examines the bank book and replies:) Yes, sir, I see it.

Q. Now, here I see that you have another book, of la Caisse d'Economie, Notre Dame de Quebec, St. Roch branch, and the balance shown in the book is \$1,688.23; is it not? (The witness examines the book and replies:)—A. Yes, sir, it is marked on the book, but the balance is not correct.

Q. Will you tell me if you have other bank books?—A. Yes, sir, I have another. To be exact I opened an account yesterday at another bank.

Q. Will you show me the bank book?—A. Yes, sir, certainly. (The witness passes the new bank book to the counsel.) To be exact, I opened an account yesterday. It is the money of the Artizans that I deposited in that bank. It is an account that I opened yesterday and that I am going to keep. (The bank book, namely, the book of the Bank of Quebec and the book of La aCisse d'Economie, Notre Dame de Quebec, are produced in this investigation as Exhibits Nos. 177a and 177b.)

(The Honourable Mr. Cassels asks the Counsel for Mr. O'Farrell if he requires the bank books to remain produced.)

(Mr. Ahearn replies in the negative, provide they be at his disposal if desired. With this restriction he does not require that the witness be deprived of his bank books.)

(The Judge consequently decides that the bank books of the witness be at the disposal of Mr. Ahearn, Counsel for Mr. O'Farrell, if he desires to have them.)

Re-examined by Mr. J. L. Perron, K.C.

Q. You had a dispute, you say, with Mr. O'Farrell?—A. Yes, sir.

Q. And after that did you still pay him money?—A. Yes, sir.

Q. Will you tell us under what circumstances Mr. O'Farrell asked you for money, will you, if you please, give us the circumstances that caused you to recall that, when you said Mr. O'Farrell once asked you for money?—A. I do not recollect the circumstances.

Q. You know, however, that he did ask you?—A. Yes, sir.

Q. Do you know something near what he said to you?—A. I could not state exactly.

Q. Near it? Tell us as near as you can what you remember.—A. I have nothing of it in my memory.

Q. All that you know is that he told you he had need of money?—A. Yes, sir.

Q. And you gave it to him?—A. Yes, sir.

Q. Now on the list that has been produced giving the names of employes to whom you paid certain sums of money, there are several among them who asked you for money?—A. Yes, sir.

Q. The majority of them asked you for it?

Q. At any rate, there were some among them who told you they wanted money?—A. Yes, sir.

Q. And when it came to pass that they cried famine, you gave them money?—A. Yes, sir, I suppose, so.

Q. And you had no competition in your line?—A. No, sir, we had none here at Quebec; but persons outside Quebec tried to secure work. As I said a short time back, Mr. O'Farrell had made reports to Mr. Gregory that the house of Drolet could turn out work as well as elsewhere, that he was on the spot to examine and the work was done correctly.

Q. Now, tenders were never asked from you for the work you performed for the Marine Department; the work that was done by the house of Drolet was always done without tender?—A. They often asked for approximate prices.

Q. You never had trouble with your accounts?—A. Sometimes; nothing to speak of.

Q. It went well?—A. Yes, sir.

By Mr. Lemieux:

Q. It was Mr. Gregory who accepted the accounts?—A. Yes, sir, on the certificates of the heads of the departments; and it was Mr. .Gregory who thereupon accepted them.

(And further this deponent sayeth not.)

This third day of November, 1908, Louis Lavoie, appears before the Honourable W. G. P. CASSELS, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. You have been sworn?—A. Yes, sir.

Q. What is your name?—A. Louis Lavoie.

Q. Do you carry on business alone?—A. I do business under the name of 'Lavoie Electric Company'.

Q. What kind of business do you carry on?—A. Machinery and electricity.

Q. I see that you have done considerable work for the Marine Department, since 1904?—A. Not absolutely that.

Q. Twelve thousand dollars (\$12,000), nearly \$13,000?—A. Three thousand five hundred (\$3,500) and a few dollars; I have it here.

Q. You appear to have done work on nearly all the steamers of the department?—A. Very nearly.

Q. The *Arctic*, the *Anticosti Lightship*, *Aberdeen*, *Acetylene*, *Guy-Bay*, *Belle Isle*?—A. It is for the lighting service.

Q. The Belladone light, SS. *Champlain*, SS. *Druid*, the Signal Alarm at the Pointe au Pere, the Traverse pier, SS. *Montcalm*?—A. Yes, sir.

Q. SS. *Seguin*?—A. Yes, sir.

Q. Then there are not many left that you have not mentioned?—A. I believe not; so far as I know.

Q. From whom did you obtain the orders.—A. I obtained them from Mr. Schmidt—

Q. From Mr. Thompson-Schmidt?—A. Yes, sir, and from Mr. Gregory and Mr. Côté.

Q. What does Mr. Côté do?—A. He is an electrical engineer.

Q. On board which vessel?—A. Any vessel.

Q. He is employed at Quebec?—A. I think he is at Sorel.

Q. Is he engineer of the Department at Sorel?—A. Yes, sir, I think so.

Q. Then?—A. I do not remember any others.

Q. This is work done by the day?—A. There were contracts too; that is to say, work at a fixed price.

Q. Much?—A. I cannot tell you.

Q. You can see by the accounts—what proportion of work, approximately did you do by the day?—A. I cannot tell you.

Q. In any case, a considerable amount of the work was done by the day?—A. I cannot state if it is as much as the rest.

Q. What is the work that you did there?—A. Installing electricity, all sorts of things. There are gas engines, dynamo electric machines, repairs to all kinds of electric apparatus—

Q. How much have you paid to Mr. Thompson-Schmidt?—A. Nothing at all.

Q. Have you done work for him, for nothing?—A. No, sir.

Q. You have given him nothing?—A. No, sir.

Q. Have you given anything to other persons?—A. Nothing at all.

Q. To no one?—A. No one.

Q. You have never given a cent to anyone?—A. Anyone? that means a great many people—the employees at Levis—

Q. I am speaking to you of the employees of the Marine Department; to whom did you give anything?—A. I gave calculation rules to an engineer, who was an officer of the department.

Q. It is not worth the while, if it is only that—You have given nothing else but that?—A. I may have given a few cents or so.

Q. If you gave any, to whom did you give money; how much did you give and to whom?—A. I gave something to Mr. Fontaine, to Mr. Bolduc, and to one other, on one occasion.

Q. Find out for me who?—A. He was on board the *Seguin*, I do not know his name.

Q. What does he do?—A. I cannot tell you—engineer or fireman, I gave him twenty-five cents or so in passing.

Q. How much did you give to Mr. Fontaine?—A. I also gave him something before he was attached to the department, I believe.

Q. How much did you give to Mr. Fontaine?—A. I cannot tell you.

Q. Was it a large amount?—A. No, sir, it was not a large amount.

Q. How much was it?—A. About twenty dollars, I think.

Q. You say that in this amount there might be?—A. Yes, sir, something that I gave him before he was attached to the Marine Department.

Q. Then?—A. One time I gave \$10 to Paul Bolduc, who came to fetch me in a carriage for a job that they were doing that night. He helped me in the work. In the evening I engaged men on board to save time on that work for the *Druid*.

Q. Now, what business have you done with Mr. Gregory?—A. I did some business with him.

Q. State what you did with Mr. Gregory, if you please?—A. If you will take my cash book, I will tell you.

Q. At what date?—A. Page 41; the account of the *Arctic*.

Q. The account was for \$500?—A. Pardon, the account was for \$1,267.91. I received in money \$500, and I gave \$80 discount to Mr. Gregory. Page 48, I received \$627.91 from Mr. Gregory.

Q. How much did you give him on it?—A. I gave him nothing.

Q. Then?—A. Anticosti light ship, page 228, \$100.80.

Q. How much commission?—A. Nothing.

Q. Commission, \$5; it is entered here, in your cash book.—A. You can see what I gave to Mr. Gregory.

Q. Five per cent is it not?—A. I have the entry correctly there.

Q. Was it he who managed that?—A. Half the time I went there to do business with Mr. Gregory. He asked me how much I gave him on that account. I was in absolute need of money. I let him have \$80. He gave me \$500 cash and the balance on the 14th of October. That was in the month of September.

Q. The amount of the account was for \$1,267, you gave him \$80 for \$500?—A. He gave me \$1,267.

Q. Well then you gave him \$80 on \$500 that he advanced you?—A. That is, he gave me the balance on the 14th October.

Q. All that you received from him was \$500; and you gave him \$80?—A. On the 14th October I received the balance.

Q. Were they drafts that he gave you?—A. No, sir, it was money; cheques.

Q. Was the sum of \$5 on \$100 drafts or money?—A. It must have been money, \$5.

Q. Was anything else paid?—A. Aberdeen, \$11 that I paid, that I gave.

Q. You paid 5 per cent on the amount of your account?—A. That was not specified.

Q. That was not understood?—A. I received cheques. I had need of money. I received cheques for the full amount of my accounts.

Cross-examined by Mr. Choquette, K.C., counsel for Mr. Gregory:

Q. You received cheques for the full amount of your accounts?—A. Yes, sir.

Q. The cheques came directly to you?—A. Yes, sir.

Q. Consequently, the discount of 5 per cent on the advanced money was for interest?—A. Yes, sir.

Q. Would you have paid as much to others, to a broker?

(The witness does not reply.)

By Mr. Perron:

Q. Did you go elsewhere?—A. Yes, sir, I did so.

By Mr. Choquette:

Q. You were not able to obtain money?—A. No, sir, without the accounts being certified. He did not want to certify them without payment.

Q. In any case, it was an advance that Mr. Gregory made to you and so rendered you a service?—A. Yes, sir.

(An account is produced with the evidence of Mr. Lavoie as Exhibit No. 220, and the cash book of the witness is produced as Exhibit No. 221.)

(And further this deponent sayeth not.)

This fifth day of November, 1908, Henri Lemieux appears before the Honourable W. G. P. Cassels, Commissioner to investigate certain statements *re* the Department of Marine and Fisheries, to give evidence.

The witness is examined by Mr. J. L. Perron, K.C., one of the counsel assisting the Commissioner.

Q. Will you have all your books?—A. Yes, sir, at once.

Q. To begin with, will you give me your ledger, containing the account of the Marine Department for the year 1904?—A. I was not in business with Mr. Samson before the 1st of February, 1905.

Q. Will you speak louder and towards the court. You were not a member of the firm of Samson & Filion, you say, in 1904?—A. No, sir.

Q. You promised yesterday to make enquiries to endeavour to go back in the books of 1904 of the firm of Samson and Filion; did you make a search?—A. I did so, without result. I found only some parts of books.

Q. Then you state by the oath you have taken, that it is absolutely impossible to retrace the books of the firm of Samson and Filion for the year 1904?—A. I could have produced parts but thought them of little use, because no bookkeeping at all had been kept up, so did not bring them with me.

Q. It would be impossible for you to retrace anything there was for 1904?—A. Yes, to me it was impossible.

Q. Will you, if you please, give me the account of the Marine Department for 1905?—A. Yes, sir. (The witness gives the counsel the account asked for).

Q. What is it you sell in your store?—A. All sorts of things; hardware, tin-ware—

Q. A number of lines?—A. We sell all we can. If we could sell cotton we would do so.

Q. You do not sell groceries?—A. No, sir.

Q. Not dry goods?—A. No, sir.

Q. You do not sell brooms?—A. Yes, sir, we sell brooms.

Q. Tell me briefly the lines you sell, besides hardware?—A. Besides hardware.

Q. Yes, I speak to you only of the goods you kept in stock?—A. We sell soap, brooms, and a sort of lye.

Q. Then?—A. Apart from that, I do not know exactly; it was not I who attended to the stock.

Q. I must know exactly what you sell, what you kept in stock, I want to know that?—A. In hardware we keep in stock—— (The witness is interrupted by the counsel).

Q. Besides iron, steel and hardware generally, and what you have mentioned just now, soap, brooms and lye, what did you sell besides that?—A. There are perhaps numbers of other things that we have not on hand; we sell ropes, chains.

Q. That is iron in part. You cannot say just now what you sell; you do not remember other things?—A. I cannot exactly state.

Q. Will you tell me from your ledger, for how much you sold to the Marine Department for the year 1905? (The witness looks at his ledger and replies:—A. From what I see, we must have sold to the Marine Department for \$21,100.94 in 1905.

Q. That would be from the 1st of January, 1905, to the 31st of December, 1905? —A. I understand that it was from the 1st of February, 1905, to the 31st January, 1906.

Q. And you say that you sold to the Marine Department during that period for \$21,100.94?—A. Yes, sir, according to my account, we sold for \$21,100.94.

Q. Will you tell me if you please, how you were paid this sum, in what way. Was it not by drafts from Mr. Gregory, drafts drawn on Mr. Gregory?—A. By drafts and by cheques.

Q. There were cheques also?—A. Yes, sir.

Q. What amount did you receive from Mr. Gregory, on that account of \$21,100.94? —A. We had him accept drafts for \$17,000.

Q. On which you paid five per cent commission?—A. We paid five per cent interest.

Q. Interest or commission, as you wish——

Mr. Perron addressing Hon. Mr. Cassels.

This statement was taken from the books. I am having the witness deal with the principal transactions now, and will enter into details later on.

Q. You have just said that on the sum of \$21,100.94, which represents the amount of goods you sold to the Marine Department in 1905-1906 you received \$17,000 from Mr. Gregory, on which you paid 5 per cent commission?—A. Five per cent interest.

Q. I accept your word for the time—You also said that there were cheques from Mr. Gregory, for the years 1905-1906 to complete this sum of \$21,100.94?—A. As I understand there was a cheque from Mr. Gregory.

Q. How much would be the amount?—A. According to me the amount would be \$1,286; to the best of my knowledge.

Q. On which you also paid five per cent?—A. No, sir.

Q. Will you tell me, whether you paid five per cent commission on that sum of \$21,100.94?—A. We paid five per cent interest on \$17,000 only.

Q. You swear that it was not five per cent on \$21,100.94, but that it was only on the drafts for \$17,000?—A. Yes, sir, that is how it appears, by my books; and from my personal knowledge as well.

Q. Now let us take 1906; for how much did you sell to the Marine Department, from 31st January, 1906, to the end of the year, 1906, or rather, to the 31st January, 1907?—A. We sold for \$24,025.61.

Q. Will you tell me how you were paid this sum, in what manner?—A. We received \$20,750 in drafts.

Q. You were paid \$20,750 by drafts?—A. Yes, sir.

Q. By drafts accepted by Mr. Gregory?—A. Yes, sir.

Q. And you paid five per cent commission or interest?—A. Yes, sir, five per cent interest.

Q. How was the balance paid?—A. The balance? It appears to me that the balance of the account is not paid yet.

Q. The balance of that account is not yet paid?—A. No, sir.

Q. This balance of \$4,000 which is not covered by the drafts of which you have

spoken, is in dispute, is it not. Did not the department refuse to pay as it considered the charges exorbitant?—A. No, sir.

Q. How is it that you have not yet been paid that balance?—A. I don't know.

Q. You do not know the reason?—A. No, sir.

Q. Is it not true that precisely that sum of \$4,000 is now in dispute, before the Marine Department at Ottawa, on the claim that the charges are exorbitant?—A. I am not aware of it.

Q. And on that sum of \$21,100.94 the amount of goods sold to the department in 1905, you told me that you received \$17,000 in drafts accepted by Mr. Gregory?—A. Yes, sir.

Q. What became of the balance of \$3,000? You received a cheque for \$1,286.60, and there was a balance of account of very close to \$3,000, was there not? What became of that balance?—A. That was carried on to the following year. Now, I am going to tell you I have an important answer for Mr. Samson.

Q. What answer?—A. Those figures—the moneys received here. Mr. Samson had a balance of account before I entered into partnership with him, the amount of which I cannot state precisely.

Q. Against the department?—A. Yes, sir.

Q. We will enter into the details directly?—A. It relates to the importance of the figures on which you have questioned me. I am unable to say whether the moneys covered the balance of Mr. Samson's account before I entered the partnership.

Q. To make things clearer; you say that in 1905—you say that your books show that you made sales for \$21,100.94 to the Marine Department?—A. Yes, sir.

Q. On that sum of \$21,100.94 you have received \$17,000 in drafts accepted by Mr. Gregory, on which you paid five per cent commission?—A. Yes, sir, five per cent interest.

Q. Then, you were paid about \$1,200 by a cheque?—A. Yes, sir.

Q. You do not know whether that cheque came from the department or from Mr. Gregory?—A. I believe that cheque came from Mr. Gregory.

Q. You are not certain of it?—A. I cannot say precisely, but I believe it came from Mr. Gregory.

Q. The balance that was left was carried on to 1906?—A. Yes, sir.

Q. You sold for \$24,025.61 in 1906?—A. Yes, sir.

Q. On that sum you have received \$17,180 in drafts?—A. No, sir, we received \$20,750 by drafts, that year.

Q. On which five per cent commission was paid?—A. Five per cent interest.

Q. And the balance is not yet paid?—A. No, sir, the balance remained in suspense.

Q. Let us come now to 1907; that is from the 31st of January, 1907, to the 31st January, 1908; we have finished the year 1906, up to the 31st January, 1907—Take the year from the 31st of January, 1907, to the 31st of January, 1908, that is the fiscal year in your books?—A. Yes, sir.

Q. Very well, take that year. For how much did you sell to the department during that year?—A. We sold for \$26,072.74.

Q. You sold to the Marine Department for \$26,072.74?—A. Yes, sir.

Q. How much have you received on that amount, in drafts accepted by Mr. Gregory?—A. \$27,000 in drafts.

Q. You received \$27,000 in drafts accepted by Mr. Gregory in 1907, to the 31st January, 1908?—A. Yes, sir.

Q. On which you paid 5 per cent commission?—A. Yes, sir, we paid 5 per cent.

Q. Now, you have received from January 31, 1907, to January 31, 1908, more money than you had made in sales?—A. No, sir.

Q. You have just said that for the year 1907, to January, 1908, you sold over \$26,000 to the Marine Department, and you received \$27,000 in drafts?—A. There was a balance of account of \$4,000 for the proceeding years.

Q. That does not prevent your having received more money than you had in accounts, for that year?—A. Yes, sir.

Q. Take the facts as they are; you sold for that year, for \$26,072.74 to the Marine Department, and you received \$27,000 in drafts?—A. Yes, sir, that's right.

Q. And you paid 5 per cent commission on that sum of \$27,000?—A. It should be carefully looked into; I am not certain if on the total I paid 5 per cent interest, I am not certain whether I paid. It should be compared entry by entry.

Q. You have no doubt Mr. Lemieux, you have no doubt that you paid 5 per cent commission on all drafts accepted by Mr. Gregory, on all the drafts that you received from Mr. Gregory?—A. Yes, sir; but there are amounts that might correspond to the amount of drafts and which were cheques.

Q. Were they cheques or drafts?—A. It would be necessary for me to look into that.

Q. When you received a draft accepted by Mr. Gregory, you paid 5 per cent?—A. Yes, sir.

Q. When you received a cheque from Mr. Gregory, did you pay another 5 per cent?—A. When I received a cheque I paid nothing.

Q. You have stated that you received \$27,000 in drafts accepted by Mr. Gregory, that year?—A. That is the amount that I would wish to verify on my first account. It will cause some work to go over the entries one by one.

Q. I thought that you had done that?—A. I did the first work here, the second did not correspond; the first, which I did with the utmost possible care, gave me \$18,000 of drafts.

Q. Now, you prepared a statement, that I see in your hands; it was you who prepared it was it not?—A. Yes, sir, it was I who prepared it.

Q. Whence came, where did you take the figures on that statement?—A. They are taken from my books.

(The statement is produced by the witness as Exhibit No. 118.)

Q. From your books, that is to say, from your cash book?—A. From the cash book and from the ledger.

Q. From the cash-book and from the ledger?—A. Yes, sir.

Q. Those figures correspond with your cash-book and your ledger?—A. Yes, sir.

Q. Will you state the exact amounts?—A. I would not like to take the responsibility of stating that the amounts are absolutely precise.

Q. Now, take the cash-book, show me how the sum of 5 per cent is entered, under what heading?—A. (The witness examines his cash-book) Here is the entry.

Q. You now exhibit cash-book No. 1, page 190, in which you show me that on a draft of \$3,000 you paid the sum of \$150.25?—A. Not 25 cents; \$150.

Q. You paid the sum of \$150?—A. Yes, sir.

Q. That you charged in the column 'discounts and interest'?—A. Yes, sir.

Q. Will you show me other entries, and tell me whether you have not got the same charges under the title of 'commissions.' Now show me if you please where it is charged in the column of 'commissions'?—A. Here is the other entry.

Q. You now show me your cash-book No. 1, 'Samson and Filion page 121,' where I see an entry under the date of—What date is it?—A. The 15th December, 1906.

Q. In which a sum of \$250 is charged in the column for 'commissions and stamps'?—A. Yes, sir.

Q. And that sum of \$250 you say, represents 5 per cent on one of the drafts accepted by Mr. Gregory?—A. Yes, sir, that is what it represents, according to me.

By the Commissioner to Mr. Perron:

'I do not see the word corresponding to 'commissions.' (By the witness). It is at the top of the page, in the column 'commissions.'

By Mr. Perron:

Q. You have no other entry besides this, where the word 'commissions' occurs?—A. I may find perhaps one, perhaps two.

Q. You have an account in the ledger with Mr. Gregory, I presume?—A. Yes, sir.

Q. Where that sum of \$250 should be found?—A. No, sir.

Q. The account is not in the ledger?—A. No, sir, that comes in the general account, as general expenses.

Q. It is entered in the general account as general expenses?—A. Yes, sir.

Q. It is charged in the expense account for making up your annual account sheet?—A. Yes, sir, as general expenses.

Q. Then there is no account in the ledger where I could find this charge in detail?—A. No, sir.

Q. You have no detailed account in the ledger for the annual expenses of your establishment?—A. No, sir.

Q. Is the account that you have there from the ledger?—A. Yes, sir.

Q. Where is your cash?—A. You have it there. It appears in the ledger because the amount that you see, ‘commissions and stamps’—I will carry the total for the year to the ‘commission and stamps’ account.

Q. Then show me the ‘commissions and stamps’ account in your other ledger.

—A. It is not in this part of the ledger, here. It is at the end of the ledger, from this letter—

Q. What letter?—A. The letter ‘P’ to the letter ‘Z.’ I did not carry it, because there is nothing in this part of the ledger concerning the Marine Department.

Q. You keep a cash journal?—A. Yes, sir.

Q. In this cash journal, I find at the head, an inscription in the following terms: ‘Folio; Divers discounts, and interest; bills payable; goods freight, carriage, commissions and stamps; general expenses, customs, salaries, profit and loss?’—A. Yes, sir.

Q. You also keep a ledger?—A. Yes, sir.

Q. And you must carry to your ledger the various columns that I have enumerated?—A. Not all. It is only the column ‘Divers’ that has each account separately; the others form part of the expenses or the assets.

Q. You have charged the commissions for the entire year in the ledger in a lump sum?—A. No, sir, not in the ledger. I carried it only to the balance sheets.

Q. Have you balance sheets in this ledger?—A. No, sir.

Q. Then, am I to understand that at the end of the year you add up this column of commissions and stamp’s and carry it to the balance sheets?—A. Yes, sir, as general expenses.

Q. Commissions and stamps would be totalled for the year?—A. I think so.

Q. Will you bring me without fail, to-morrow, the balance sheet, showing ‘commissions and stamps’ for the year, 1905 to 1906?—A. before saying yes, I would ask a question. Mr. Perron goes into the question of keeping the private books; I reply on the subject of the Marine Department. Has he the right to require me to disclose my private affairs? I ask this question of the Commissioner.

Mr. Perron, addressing the witness:

If you will permit me, we can arrange the difficulty. I am bound by professional secrecy not to disclose what you are about to show me. I am not here to ill-treat any one. I desire, for myself, for my own personal satisfaction, to see these entries. You will show them to me, here outside the court, to-morrow, and no one will hear it spoken of. We are not here to ill-treat you, or to cause you annoyance, or to embarrass you needlessly. This incident being settled, will you bring me that, to-morrow morning, and show it to me outside the court?—A. Yes, sir.

Q. Will you now tell me how this sum of 5 per cent was generally paid to Mr. Gregory?—A. By cheques.

Q. Have you the cheque stubs here?—A. You have them in the cover of the ledger.

Q. Have you the original cheques?—A. I cannot say exactly where they are to be found.

Q. Will you have them looked for, if you please?—A. Yes, sir.

Q. We will take the stubs, to begin with. According to the statement you have produced, a sum of \$100 was paid to Mr. Gregory on the 19th of June, 1905. Will you, if you please, show me the cheque stub where the entry for this sum of \$100 is to be found?—A. I am not able to produce it, as the cheque stubs for that period are incomplete. I cannot be certain whether such and such are the original cheques.

Q. Will you ask your employees, and make the necessary search yourself, to find the cheques themselves?—A. Yes, sir.

Q. You withdraw your cheques nearly every month, I suppose?—A. Every three months.

Q. You will look for them and bring them to-morrow morning?—A. Yes, sir.

Q. Do I understand you to swear you have the cheque stubs from a certain period only?—A. Yes, sir.

Q. From what time?—A. From the 26th of November, 1907, they are complete to the 31st of October, 1908.

Q. Will you show me the cheque stubs that you have, which correspond with the statement already produced, showing the sums paid to Mr. Gregory? (The witness examines his books and replies): A. They are here.

Q. You now exhibit the cheque stub of cheque No. 638, dated the 21st of December, 1907, for \$150; and I see on the cheque stub 'Jos. Samson'?—A. Yes, sir.

Q. Who is this Mr. Samson?—A. He is my partner.

Q. This is a cheque of the firm of Samson & Filion?—A. Yes, sir.

Q. Then you gave him \$150?—A. It was for Mr. Gregory.

Q. Explain to the court, then, what was the method you followed. You say that the cheques were made to the order of Joseph Samson?—A. The cheques were not made to the order of Joseph Samson. They were made payable to bearer—most of them, I believe. I only made out one.

Q. Who made out the cheques?—A. I made out one.

Q. Was that of the 21st of December the one you made out yourself?—A. I cannot state precisely.

Q. Then who made out the cheques?—A. If these are cheques they are from Mr. Samson.

Q. Mr. Samson said that he had never anything to do with the books, that he never saw the books, and that he never made out the cheques?—A. In a general way, he is right. If he wanted information on the general condition of the business in the store, I supplied it.

Q. Then let us continue for the present on the question of the cheques. You say that you yourself made out one cheque?—A. Yes, sir.

Q. According to the statement produced, twenty to twenty-five cheques were given to Mr. Gregory. Who made out the other cheques?—A. It was probably Mr. Samson, and, perhaps, to my order.

Q. What do you mean by that, 'It was probably Mr. Samson, and, perhaps to my order'?—A. I mean by those words that when short of money to meet our requirements, I informed Mr. Samson that we were out of money, without advances that we were in need of, and asked if he would go to the department to see if they had cheques. In case the cheques had not arrived, he took a blank cheque for one hundred dollars (\$100) or one hundred and fifty dollars (\$150).

Q. For what purpose did he take blank cheques for \$100, \$150, \$250?—A. When it was necessary for him to make a draft, because we were out of money.

Q. Let us keep to the question, if you please?—A. He went to Mr. Gregory to ask if cheques had arrived for the house.

Q. I am not on that. Let us continue on the question of cheques. You told me that you had made out only one cheque yourself, and the others were made out by Mr. Samson?—A. Probably; I did not see them; and I was not there.

Q. You were not there?—A. No, sir, both of us did not go there.

Q. The cheque book should be in your office; the cheque book, of which you produce the stubs, is in your office?—A. Yes, sir.

Q. Mr. Samson said he never had access to the books; it would not have been he who made out the cheques?—A. Yes, sir. Without attending to the business, he might have done it.

Q. Do you know if he did it?—A. I believe so, since these are cheques entered in his name.

Q. Who wrote the words 'Joseph Samson' on the face?—A. It was I.

Q. Are the words 'Joseph Samson' written on the face of the other cheque stubs?—A. I cannot precisely state.

Q. Have you all the cheques that were made?—A. I am not certain.

Q. From what I understand, all the cheques that were made to settle the commissions to Mr. Gregory were payable to bearer?—A. Yes, sir, I think they were all to bearer.

Q. You have no reason to doubt it?—A. It may be there were some payable to the order of Mr. Gregory. I do not know.

Q. However, that may be, when you made the cheques to bearer, you wrote on the cheque-stub the words 'Joseph Samson,' to facilitate your bookkeeping? You did that yourself, personally?—A. Generally; I could not state with certainty if I did so with regard to all the cheques.

Q. But that was your usual practice? The cheques were made to bearer, and for your bookkeeping you wrote 'Joseph Samson' on the stubs?—A. Personally, yes, sir.

Q. Why did you place the words 'Joseph Samson,' on the cheque-stubs? The cheques were taken to pay Mr. Gregory's commissions?—A. I put them, to begin with to carry to cash, as expenses for final transfer to the general account. It would come in the general expenses column.

Q. If you had used the word 'interest' would that not have showed the same thing, interest or commission?—A. It was the simplest way for me to keep account of my private affairs with Mr. Samson, what I gave, or did not give him.

Q. With himself?—A. Yes, sir, with himself.

Q. I understand, therefore, from your reply that it was Mr. Samson, personally who paid this sum to Mr. Gregory. Is that so?—A. No, sir, he paid it by the cheque of the firm.

Q. Do I understand that you charged the cheques that served to pay the commission to Mr. Gregory, to his personal account?—A. No, sir, to the account of the establishment.

Q. What was your reason for placing the name of Joseph Samson on the cheque-stub in this case if it was not to be charged personally to Mr. Samson, and if it formed part of the general expenses in carrying on your business. (The witness does not reply.)

By Mr. Perron:

'I regret sincerely to be obliged to tell you that the fact of paying 5 per cent to Mr. Gregory constitutes commissions, bonuses, for having orders. Only you strive to repel that conclusion, and that, I warn you, will lead to nothing. If it should be necessary to continue your examination for four days, we shall go on. I desire to tell you that we shall be obliged to go into the smallest details. I wish you to know this. There is no concealment.'

The examination of the witness is adjourned until to-morrow.

This sixth day of the month of November, 1908, HENRI LEMIEUX continues his evidence as follows:—

Continuation of the examination in chief of the witness.

By Mr. J. L. Perron:

Q. I asked you yesterday to be good enough to try to retrace the cheques used to pay the commissions of 5 per cent to Mr. Gregory. Have you been able to find some of them?—A. Yes, sir. (The witness gives the counsel the cheques.)

(These cheques are produced as Exhibit No. 133, A, B, C, D, E, F, G, H, I.)

Q. Then you produce a cheque dated the 19th of August, 1905, for the sum of \$100 payable to bearer. This cheque is not endorsed. How do you know that it was used to pay 5 per cent to Mr. Gregory? There is no endorsement?—A. It is by my entries in my cash-book.

Q. It is by your entries in your cash-book?—A. Yes, sir.

Q. And by your cheque-stub, I presume?—A. Probably.

Q. Have you all your cheque-stubs here?—A. I do not know. I go by my entries in my cash-book.

Q. Another one, dated the 5th of September, 1905, also payable to bearer, for the sum of \$100 and endorsed J. U. G.?—A. Yes, sir.

Q. Where is your cheque-stub corresponding with the cheque?—A. I am unable to tell you. My cheque-stubs are incomplete.

Q. Another cheque dated the 13th December, 1906, for the sum of \$250.—A. Yes, sir.

Q. Another cheque, dated the 28th of December, 1906, for the sum of \$250, endorsed 'J. U. G.'?—A. Yes, sir.

Q. Another, dated the 18th of March, 1907, for the sum of \$50?—A. Yes, sir.

Q. Another, dated the 6th of April, 1907, for the sum of \$250, endorsed 'J. U. G.'?—A. Yes, sir.

Q. Another, dated the 5th of October, 1907, for the sum of \$250.—A. Yes, sir.

Q. Another, dated the 9th of November, 1907, for the sum of \$150.—A. Yes, sir.

Q. Another, dated the 20th of November, 1907, for \$150?—A. Yes, sir.

Q. Another, dated the 19th of December, 1907, for \$150, endorsed 'J. U. G.'?—A. Yes, sir.

Q. Now, will you, if you please, state the reason for which on the cheque stub this cheque appears to have been given to Joseph Samson?—A. Well, sometimes I handed money to Mr. Samson for himself and at other times I handed him a cheque to take with him to Mr. Gregory to obtain drafts.

Q. You knew that this cheque which you gave to Mr. Samson, was to be used to pay the 5 per cent commission to Mr. Gregory?—A. Yes, sir.

Q. What I wish to know from you now is, the reason that made you place the name of Joseph Samson on the cheque stub instead of the name of Mr. Gregory who was the person who really received the money?—A. The reason? I could not give one of value more than before to explain my motive for so acting.

Q. You had a motive, had you not?—A. It was for my information when making the entry in my books.

Q. Why you did not put Mr. Gregory's name on the cheque-stub, instead of the name of Joseph Samson, is what I want to know from you?—A. I had no reason.

Q. Is it not true that you considered the name of Mr. Gregory must not be mentioned in the transaction, and that is the reason for which you did not put his name on the cheque-stubs?—A. It is possible.

By the Commissioner:

Q. Two or three cheques are endorsed by Mr. Gregory?—A. Yes, sir.

Mr. Perron, addressing the Commissioner:

'The witness has no doubt that all the cheques he has just produced were paid to Mr. Gregory for his profit.'

Q. Did you at any time yourself transact business with Mr. Gregory relative to the commission of 5 per cent?—A. Yes, sir, once.

Q. In what year?—A. I do not recollect. It was last year.

Q. On what date?—A. It was last autumn, I cannot say exactly; I think it was towards the autumn—perhaps it was earlier than that. I rather think it was near the month of August.

Q. Towards the month of August, 1907?—A. Yes, sir.

Q. Did you on that occasion pay 5 per cent commission on the draft you obtained from him?—A. Yes, sir.

Q. By a cheque, or in money?—A. By a cheque, and probably by one of the cheques that I produced.

Q. Will you show me the stub of that cheque?—A. I do not exactly remember the time.

Q. You say that it was in the month of August, 1907?—A. Yes, sir, I believe so.

Q. Let us take the stubs of the cheques for the month of August, 1907.—A. I am unable to produce the stubs of the cheques prior to this one.

Q. You swear, Mr. Lemieux, that you are not able to find the cheque-stubs prior to this one?—A. If I find them I will produce them.

Q. Have you looked for them?—A. I looked for them, and found some, but they are incomplete.

Q. Have you the cheque-stubs that you produced to-day? What I want to know is, if the cheque-stubs are incomplete or not, have you the cheque-stubs that you produced to-day? That is what I want to know from you?—A. I will look again. (The witness examines his documents.)

Q. We lose time, and you suffer as well as I. This makes three days that you are here.—A. I thought that when I gave the cheque that was sufficient

Q. I must have all, all; in your own interest moreover.—A. I have no objection to give them to you.

Q. Do you remember more or less what entry you made on the cheque stub that you yourself gave to Mr. Gregory?—A. I must have put—

Q. What was it that you put? You well remember; it was too recent.—A. I do not remember.

Q. You must have put the name of Mr. Samson again probably?—A. Probably.

Q. You have no doubt, have you? It is as well to finish?—A. It is probable that I put the name of Mr. Samson.

Q. As a matter of fact, to finish at once with this incident; was not the name of Mr. Samson entered on the stub of every cheque given to Mr. Gregory to pay the commission of 5 per cent?—A. Yes, sir.

Q. Why? Was it not the same thing; because you thought the name of Mr. Gregory must not come before the eyes of those who might look into your cheque-book? (The witness does not reply).

Q. Is it not true to finish with, that you yourself thought, on your soul and conscience, that the name of Mr. Gregory must not appear on your books in relation to these transactions?—A. Yes, sir.

Q. Will you now go and see the Commissioner with your books. His lordship desires to see in your books the entries relative to these cheques. Will you show them to him, with the cheques?—A. Yes, sir. (The witness exhibits the cheques produced, as well as the books to the Honourable Mr. CASSELS.)

(The witness states, after an examination of the books, that the cheque of the 20th of November, 1907, amounting to \$150, was not paid to Mr. Gregory, and he withdraws it from the list of exhibits produced).

By Mr. Perron:

Q. Then I understand that all these transactions apart from the one you have just spoken of, were carried out by Mr. Samson himself with Mr. Gregory?—A. Yes, sir.

Q. You have examined your books to the 31st of January, 1908, only. From the 31st of January, 1908, to the time when Mr. Gregory left the Marine Department, have you had any transactions with him?—A. I believe so. We had to renew some of the drafts.

Q. Have you paid anything?—A. Not on the renewals.

Q. Then you have no charges since the 31st of January, 1908?—A. No, sir.

Q. You have nothing in your books as concerns Mr. Gregory, since that time?—A. No, sir, there is nothing in the books.

Q. Now, I understand that this system of drafts and 5 per cent commission existed before you entered the firm of Samson and Filion?—A. Yes, sir.

Q. You found the system established?—A. Yes, sir.

Q. I suppose Mr. Samson told you, from time to time, that, subject to 5 per cent commission, you could obtain drafts from Mr. Gregory?—A. When we found ourselves in need of money, in order to obtain the means, Mr. Samson said to me: 'We will go and see if Mr. Gregory is disposed to advance us the money.'

Q. Mr. Samson told you Mr. Gregory had done it before, less 5 per cent commission?—A. Yes, sir; he told me he had done it in the past.

Q. And he thought Mr. Gregory would have no objection to continue doing so?—A. Evidently.

Q. Evidently?—A. Yes, sir.

Q. Will you now state how much is actually due by the Marine Department for goods, that they have not paid you for because it disputes your charges—the amount of your charges?—A. I could not say precisely. By the books, perhaps—Still it would be difficult.

Q. Why?—A. Because when I entered the store, the books were in such a state it was impossible to determine the amount of the balance due to Mr. Samson. All the moneys received by the department moreover are entered in the books, and if the accounts were balanced to-day for to-morrow I would pay the surplus to Mr. Samson.

Q. And do you know that there would be a surplus?—A. I am not aware how it would be.

Q. In any case you know that there is a rather considerable sum claimed by the firm of Samson and Filion from the Marine Deuartment and that the department refuses to pay because it takes the ground that the charges are exorbitant?—A. I know personally that there had been an account in dispute.

Q. Which is still in dispute, is it not?—A. I am unable to tell you.

Q. Is that account settled?—A. I believe so.

Q. You will find out. If it is settled it is since 1905?—A. I do not think so.

Q. This question must be cleared up. Have you had a settlement of the account that was due by the Marine Department and which the Marine Department refused to pay because it claimed that it contained exorbitant charges? Is this account settled with the department?—A. I believe it is.

Q. Show me the settlement in your books.—A. I could not ascertain by any particular entry if it is settled or not.

Q. Who could tell me that?—A. Probably Mr. Gregory or Mr. Mailloux.

Mr. Perron, addressing Mr. Mailloux, who is present in court:

Q. Is this account settled?—A. Yes, sir, it is settled.

Q. Since when?—A. It has been settled for some time.

Q. Have you your books there?—A. Yes, sir.

Q. Show me the settlement.

(The witness, Mr. Mailloux, shows the books to Mr. Perron containing the settlement of the balance of the account due to the firm of Samson and Filion by the Marine Department.)

Mr. Perron continues the examination of Mr. Lemieux:

Q. At any rate you cannot find this settlement in your books?—A. No, sir.

Q. Do you know anything as to the prices charged by the firm of Samson and Filion to the Marine Department?—A. No, sir.

Q. Nothing at all?—A. No, sir.

Q. You know nothing of the prices, or of the value of the goods?—A. I have a slight idea of the value, but during the four years that I am with Mr. Samson, I have been occupied with the books alone and not with the store.

Q. You are not in a position to inform yourself in any way as to the prices?—A. No, sir.

Q. Is it a wholesale house that you keep or a retail?—A. We sell wholesale and retail.

Q. What do you do most in, the wholesale or the retail?—A. Not in one more than the other.

Q. It is divided about equally?—A. Yes, sir.

Q. When there is a purchase by wholesale what is the sum. What is the sum to constitute a wholesale purchase?—A. It is not the amount; it is the buyer. When it is a merchant—

Q. When the sale is to a merchant, it is wholesale, and when it is made to another, it is a sale by retail?—A. Yes, sir.

Q. What difference is there in the prices between wholesale and retail?—A. (The witness addressing the Commissioner.) On this question, your lordship, I wish to ask if it is absolutely obligatory for a person here to state the cost price?

The Honourable Mr. Cassels replies to the witness:

Yes, sir, it is necessary; it is very important to answer that question.

By Mr. Perron:

Q. You go much farther than my question went. I ask you what difference there is between the wholesale and the retail prices; is it 20 per cent, 10 per cent, 15 per cent, 30 per cent.—A. I have just told you my incompetence in the matter.

Q. If you are not able to tell us, you are not able either to tell us what difference you make between a sale at wholesale and a sale at retail. Is that your reply?—A. I am incompetent to state what the difference is.

Q. Who can tell us?—A. Mr. Samson, probably.

Q. There ought to be someone in your store to tell me the difference between the wholesale and retail prices.—A. Mr. Samson should be able to say.

Q. Is Mr. Samson in a position to do so?—A. I believe so.

Q. You have no doubt that Mr. Samson is in a position to give the information, I ask for?—A. I have no doubt of it.

Q. Now, is the Government, or the Marine Department, taken as in the merchant class to whom you sell, at wholesale price, or in the class of ordinary persons who ought to pay dear?—A. To the best of my knowledge the Marine Department was charged the price current.

Q. That doesn't say much, the 'price current,'—the wholesale or retail price current? Retail is it not?—A. Yes, sir, retail.

Q. And that, although you well knew you sold to the Marine Department for \$77,000.00 in three years?—A. Yes, sir.

Q. Will you tell me how many accounts you have in your books with merchants to whom you sell wholesale who have bought for \$77,000.00 in three years. Take your books, and tell me that, if you please. (The witness consults his books and replies. There are none, sir; there are—but not for the sum you state.

Q. Then you tell us, without embarrassment, that your largest customer, the largest customer you had for three years, was the Marine Department?—A. No, sir.

Q. It was not your largest customer?—A. No, sir.

Q. There were persons who bought more than the Marine Department?—A. All told, there were, not one, but two or three.

Q. I see you do not understand me. Was there a single merchant who in the year 1904-5 bought from you for over \$21,000.00?—A. No, sir.

Q. Was there a single merchant who bought from you for \$24,000.00 in 1906?—A. No, sir.

Q. Was there a single merchant who bought from your firm for \$26,000.00 in the year 1907?—A. No, sir.

Q. Or in any other year?—A. No, sir.

Q. Since the Marine Department was your largest customer, why did you charge it the retail price?—A. For all the classes of goods—

Q. Why did you charge the Marine Department the retail price?—A. You did not give me time to finish just now.

Q. Did you charge the Department the wholesale price or the retail price?—A. The retail price.

Q. I ask you now the reason for which you charged this customer, who bought from you for \$25,000 a year, the retail price?—A. Well, I believe that, as a matter of fact, the prices charged were accepted by the Department.

Q. Then you charged the retail price because the Department accepted the retail price?—A. That is to say, the retail prices were charged and the prices were accepted.

Q. You charged the retail price because the Department accepted the retail price. That is it, is it not?—A. Yes, sir.

Q. Then how much above the price charged to others was this retail price that the Department paid without dispute; ten, fifteen, twenty five per cent above the others?—A. Sometimes it was a little higher.

Q. Is it not true that in many cases it might have been 25 per cent higher than the others?—A. In some cases, it might have come to 25 per cent, sometimes 10 per cent.

Q. And even a little higher?—A. (The witness, correcting himself.) I declare that I did not fully grasp the question.

Q. Then will you, if you please, give your reply?—A. The difference over the retail and the wholesale price against the Marine Department—I believe I am able to state that there was no difference.

Q. You swear it? I have the accounts here. You swear it?—A. To the best of my knowledge, there was no difference.

Q. To the best of your knowledge. What does that mean?—A. It was not I who made the charges.

Q. That means it was not you who charged dearer to the department; it was the others?—A. You put a question to me that I cannot answer. To charge higher to the department, instructions must have been given to an employee; and I have never done that.

Q. You do not know personally, that in many cases, in a great number of cases, you have charged the Marine Department 25 per cent more than the retail price, than you charge other persons. We will take the accounts, if you desire?—A. If you would particularize, a little.

Q. I wish to know from you, if it is not true that in a great number of cases you have charged the Marine Department 25 per cent more than the retail price?—(The witness does not reply).

Q. It is as well to finish at once. It is the case, Mr. Lemieux—A. Will you repeat the question?

Q. Is it not true that in a great number of cases you have charged the Marine Department 25 per cent more than the retail price. That is what I want to know from you?—A. It is not I who make the charges. I am very willing to submit to your questions, but it is I who reply here.

Q. Certainly; it is you who are under oath; it is not I.—A. It might be that it did occur.

Q. Have you doubts that it did occur?—A. Since the commencement of the investigation it may be that he recollects; it may be that Mr. Samson recollects. He might answer your question.

Q. You have no doubt have you?—A. That we charged the full price?

Q. Yes, that you charged the full price to the Marine Department, and even 25 per cent in certain cases above the full price. You have no doubt of it?—A. Yes, sir, I have doubts.

Q. You express a doubt of that?—A. I express a doubt on one part of my work, of my competence in the store. I am not able to answer for that.

Q. Those 5 per cent commissions that you paid to Mr. Gregory never cost anything to yourselves, you understand. You have responded very squarely to my questions. Continue to do so. This 5 per cent cost you nothing, since you charged the dearest possible to the department?—A. The 5 per cent was an expense for the store.

Q. With the prices you charged the Marine Department, the 5 per cent never cost anything to the firm of Samson & Filion?—A. It never cost me anything; it was like any other discount that I allowed to a merchant who pays an account.

Q. If I went to you as an ordinary merchant, to buy at your store, would you have charged me the prices that you charged to the Marine Department?—A. Yes, sir, on certain articles.

Q. I speak to you in a general way. Have you anything to add to your last reply?—A. Will you repeat the question?

Q. I ask you, Mr. Lemieux, if I went to you to buy, as an ordinary merchant, would you have charged the same prices that you charged to the Marine Department?—A. Yes, sir, for certain articles.

Q. And for others, yes or no?—A. I can say no.

Q. Then if I correctly understand your reply, you say that on certain articles you have not charged the Marine Department more than you would to me, if as a merchant, I went to buy of you; and on certain articles you charged more to the Marine Department —A. Yes, sir, for indemnification.

Q. The fact that you charged more to the Marine Department is due, as you state, to the prices having been accepted?—A. Yes, sir, and settled in advance. The prices were agreed.

Q. It is a distinction that you make?—A. I sell to a merchant; if he accepts my prices, he has nothing to say.

Q. Then must I understand that the reason, the manner of doing business by Samson and Filion is, if a man goes there, if he is clever he pays less than another, if he is not clever, if you can take advantage of him, you do so. Is that your method?—A. No, sir.

Q. It is only with the Marine Department that you follow that method?—A. No, sir. We sell nails at the current price. If the Marine Department had bought, it would have paid the same price as that at which we sell to a merchant. It is the same with other articles. It goes by quantity. We charge dearer for a small quantity; we make a great difference between the wholesale price and the retail price.

Q. You make a great difference between the wholesale price and the retail price at your store?—A. Yes, sir.

Q. Are you able to give us a glimpse of that difference. Might there be thirty per cent, forty per cent?—A. Yes, sir, on certain articles.

Q. Sometimes 50 per cent?—A. That might well be, when we sell nails at 5 cents a pound that cost only $2\frac{1}{2}$ cents a pound.

Q. Then there are certain articles on which there is 50 per cent of difference between the wholesale price and the retail; and on others 25 per cent difference. Is that it?—(The witness does not reply).

Q. Between the wholesale price and the retail, you told me, a moment ago, there is a good deal of difference?—A. You lead me on to the wholesale and retail.

Q. It is not I who entered upon that ground. It is you who entered upon prices current?—A. I correct myself now. Can I do so?

Q. Certainly?—A. I correct myself in this respect; the difference might be from 20 or 25 per cent between the wholesale prices and the retail.

Q. On certain articles?—A. Yes, sir.

Q. And more, or less, on others; is not that so?—A. Yes, sir.

Q. It runs up to fifty per cent; does it not?—A. Possibly so.

Q. Will you point out to me some articles on which there is a difference of 50 per cent between the wholesale price and the retail?—A. Nails, by the pound.

Q. Then?—A. Pocket knives.

Q. They can't have bought much in the way of pocket knives at the Marine Department?—A. You ask me in a general way—

Q. Then, on nails and pocket knives there is a difference of 5 per cent between the wholesale price and the retail?—A. There may be a lot of articles of which I have not got the list.

Q. The Marine Department, then, if it had been treated by you as a wholesale buyer, would have paid 50 per cent less on nails than you sold to it?—A. If current prices had been accepted, we should have had a corresponding profit.

Q. Let us take your theory. As a matter of fact, since you have been at the store the Marine Department has paid 50 per cent more for nails than the wholesale buyers. That is what I want to know from you?—A. Not on that article.

Q. What are the articles on which the Marine Department paid 50 per cent more than wholesale buyers?—A. I cannot specify.

Q. You know that there are some?—A. I am not able to tell you.

Q. You have your surmises?—A. I may have surmises that I cannot even express.

Q. At all events, Mr. Lemieux, even with the commission of 5 per cent that you had to pay Mr. Gregory, you still indubitably made more money with the Marine Department than if you had sold to your neighbour, a retail merchant, did you not?—A. Yes, sir, indubitably.

Q. Have you an account in your books in the name of Mr. Gregory?—A. Yes, sir.

Q. Will you show it to me?—A. Yes, sir (the witness shows the Counsel Mr. Gregory's account).

Q. Mr. Gregory purchased goods from you?—A. Yes, sir.

Q. Have you an idea what kind of goods?—A. Paints, nails, iron, oil.

Q. For himself personally?—A. Yes, sir.

Q. Where did you send these goods?—A. To his private residence, rue Ste Genevieve.

Q. I see here that you have an account with Mr. Gregory, only since 1905?—A. Yes, sir, the other book was destroyed; almost totally destroyed.

Q. Did you have any business with Mr. Gregory on the 1st of February, 1907?—A. Is there an entry there?

Q. I ask you, outside his personal account?—A. Are there cheques dated the 1st of February, 1907?

Q. Mr. Lemieux, do you swear that you received the sum of \$54.21 from Mr. Gregory?—A. Yes, sir, I can swear it.

Q. How can you swear it?—A. Because it is money that Mr. Samson would have handed me for that.

Q. Is it a cheque that Mr. Samson gave you?—A. It was money as well as I can remember. It was the manner not the cheques as far as I can recollect.

Q. Do you swear that Mr. Samson went to you one day and said, 'Mr. Gregory has paid me his account. Here is \$54.21'?—A. Yes, sir.

Q. Did you sell as dear to Mr. Gregory as to the Marine Department; were the prices as high for him as for the Marine Department?—A. Yes, I believe so, in some cases.

Q. As to the remainder?—A. If the Marine Department did not purchase the goods that Mr. Gregory did—

Q. What I want to know from you, Mr. Lemieux,—my question is simple; you understand it, and you will reply, will you not? Did you charge Mr. Gregory, when he purchased of you for himself the same price that you charged to the Marine Department for the same kinds of goods. That is what I want to learn from you; No, is it not?—A. I will tell you; Mr. Perron questions me on many things respecting which I am not able to reply.

Q. Go, on, Mr. Lemieux, it is easy to answer the question I put to you. I ask you if you charged Mr. Gregory, when he purchased for himself, the same price that you charged the Marine Department for the same kind of goods. You well know the contrary, do you not?—A. I believe it.

Q. You swear that?—A. I cannot swear it, because it is the documents that speak.

Q. Are you in a position to say, yourself?—A. No, sir, I am not in a position to do so.

Q. Is it Mr. Samson who settles the prices at the store?—A. Yes, sir, for some lines.

Q. As to the others?—A. As to the others, we go by the invoices.

Q. Is there any one at your store who settles the prices?—A. No, sir, not specially, there is no one in particular to settle the prices, because there is no set line of prices.

Q. You must have a price, the goods must be marked in your store?—A. Yes, sir.

Q. Who marks them?—A. Our employees.

Q. Under the direction of whom?—A. Under the direction of Mr. Samson.

Q. Then it is Mr. Samson who settles the prices?—A. No, sir, not he himself.

Q. Who is it then?—A. It is his brother, the buyer.

Q. The other Samson?—A. Yes, sir.

Q. Then it is not Mr. Samson, the partner who settles the prices?—A. Himself? No, sir.

Q. It is Mr. Samson, his brother, who settles the prices?—A. Yes, sir, it is the brother of Mr. Samson.

Q. What is his name?—A. David Samson.

Q. Is he in Quebec?—A. Yes, sir.

Q. Is he still in your employ?—A. Yes, sir.

Q. Is it he who settles the prices?—A. Yes, sir.

Q. It is he who does the marking for your goods?—A. Yes, sir.

Cross-examined by Mr. Choquette, K.C., counsel for Mr. J. U. Gregory:

Q. Mr. Lemieux, you had but one single money transaction with Mr. Gregory?—A. Yes, sir.

Q. When you went there, you went to his place, his office?—A. Yes, sir, I went to his office.

Q. What did you go there for?—A. To ask him if he would be good enough to do us the service of accepting a draft.

Q. A draft on whom?—A. A draft drawn on Mr. Gregory.

Q. A draft drawn on Mr. Gregory himself?—A. Yes, sir.

Q. You had need of money?—A. Yes, sir, we had need of money.

Q. Had you accounts due to you by the Marine Department at the time?—A. I believe so.

Q. And you had been waiting for a long time for payment of those accounts?—A. I could not say that exactly.

Q. Had you hope of receiving payment soon of those accounts?—A. Perhaps in fifteen days, perhaps a month afterwards.

Q. Do you remember whether you waited for some time to receive them—to receive your cheques?—A. That time I believe Mr. Gregory was obliged to renew for me the draft that he had accepted for me.

Q. For what sum had he rendered you this service?—A. For three thousand dollars (\$3,000), that time.

Q. Could you have gone to the bank and had \$3,000 in your own name personally, from the bank?—A. No, sir, not at the time.

Q. Was it at about the time Mr. Samson lost his mill by fire or something?—A. I think it was about that time.

Q. Was it about the time that the Peribonka Pulp Company, I think it was, in which Mr. Samson was interested, had failed?—A. I am not able to tell you.

Q. In what pulp company was Mr. Samson interested?—A. I could not tell you. I am not acquainted with Mr. Samson's private affairs.

Q. At any rate you were in need of money?—A. Yes, sir.

Q. To speak of the \$3,000. In the ordinary course of business, you asked Mr. Gregory to procure you money or to procure you a draft?—A. Yes, sir.

Q. You paid five per cent interest on it?—A. Yes, sir.

Q. Was there a question, direct or indirect, of your charging one cent more to the department, for that?—A. No, sir.

Q. Did he advise you to do it?—A. Never.

Q. Did you speak to him about it?—A. No, sir.

Q. Was it ever a question with the employees of the Marine Department in his office?—A. No, sir.

Q. Now, when he renewed that draft for you did he charge you interest as on other ones?—A. No, sir, not when he renewed it.

Q. On that draft, or on others?—A. No, sir.

Q. Is it within your knowledge that he renewed your drafts for several weeks, and for several months?—A. Yes, sir.

Q. How many months?—A. I believe that he renewed the same draft three times, and for two months each draft.

Q. Consequently that made six months?—A. Yes, sir.

Q. And he charged you five per cent the same?—A. Yes, sir, five per cent on the first draft.

Q. That made ten per cent a year, five per cent for six months was at the rate of ten per cent for the year?—A. Yes, sir.

Q. Could you have procured the money at five per cent for six months of any broker in town here?—A. I could not tell you.

Q. Now, you had no disquiet, through protests, or anything; he did not protest the drafts, he put you to no expense; did he?—A. No, sir.

Q. He never threatened you with proceedings on account of the drafts?—A. No, sir.

Q. On your oath, Mr. Lemieux, did you consider that Mr. Gregory rendered you a service, as a man of business, in lending you that sum of \$3,000 and the other sums that he procured you?—A. I believe I am able to declare that on those occasions and others it was real service to us.

Q. And you swear, once more, that there was never a question between you and Mr. Gregory, directly or indirectly of your charging one cent more to the department for that?—A. There was never any question of it.

Q. Now, when your accounts were sent in to Mr. Gregory were they already cut down by him?—A. Yes, sir.

Q. He took something off your accounts?—A. Yes, sir.

Q. Now, the goods were received by others as well as by him?—A. Yes, sir.

Q. Now commissions were sometimes asked, rather frequently even, on the goods you sold to the Marine Department?—A. Yes, sir, to my knowledge.

Q. You have paid commissions?—A. I believe some were paid. I could not state precisely.

Q. Who could tell me that? Would Mr. Samson be in a better position than yourself to say whether there were commissions paid on the goods?—A. I think so.

Q. At the commencement of the summer season, you and others in the same lines were asked for prices?—A. They often asked us for prices, at what price we sold our goods.

Q. The department often asked you for prices on goods?—A. Yes, sir.

Q. You occasionally sold some descriptions of goods to the government at slightly higher prices than to individuals?—A. Yes, sir.

Q. Will you say why you charged even more to the government than to individuals?—A. The prices were accepted.

Q. The lawyers charge more to the government than to individuals?—A. I do not know.

Mr. Perron ,to Mr. Choquette:

' Speak for yourself, Senator.'

Q. Now, here is an account from the firm of Samson & Filion, dated the 19th of August, 1904. Will you examine it and say whether at that date you were a member of the firm of Samson and Filion? (The witness examines the account and replies): No, sir, I was not a member of the firm.

Q. It was before your time?—A. Yes, sir.

Q. Mr. Samson would be in a better position to identify the account than you yourself?—A. Yes, sir.

Q. Will you look at some of the items of the account, and tell me if the prices charged to the government generally are not the market prices current? Look at some of the items ,if you please— The prices of that time, naturally, if you remember them. (The witness examines the account.)—A. If my memory serves me, most of the prices correspond with those charged to the department.

Q. And this one? It is a personal account against Mr. Gregory?—A. Yes, sir. (The account is produced as Exhibit No. 134.)

Q. Will you examine the account and say what sum you took off it? (The witness examines the account and replies:)—A. \$1.51.

Q. How much is the account for?—A. It is an account for \$151.51.

Q. And you deducted \$1.51 for Mr. Gregory from that account?—A. Yes, sir.

Mr. Choquette, addressing the Hon. Mr. Cassels:

I presume that if I require this witness later, I will have the right to recall him?

Hon. Mr. Cassels ,to Mr. Choquette:

Certainly, you will make the proof that you desire to make.

Re-examined by Mr. J. L. Perron, K.C.:

Q. You said, in cross examination that you were not disquieted when you discounted your accounts with Mr. Gregory, because you had not been protested. There were other reasons for that; you had no doubt you would receive enough orders to cover your drafts?—A. I knew that Mr. Gregory would probably be quite well disposed to renew the drafts, seeing he had the control of the matter.

Q. You knew, when you discounted with Mr. Gregory, that you would receive sufficient orders from the department to cover the drafts?—A. Mr. Gregory, as well as I can remember, to the best of my knowledge, made us no advances before we produced accounts.

Q. We will see as to that, we will take each draft, and your books. If we have to pass the week, we will take them. Take your books. Have you your cash book?—A. Yes, sir. (The witness takes his cash book.)

Q. Take the account of the 19th of June, 1905. When you drew on Mr. Gregory, a draft for \$2,000 on which you paid him \$100 as commission, how much was due

to you by the department—at the time?—A. I am not able to know everything in the store.

Q. Does not your books show it?—A. No, sir.

Q. Your book does not show what was due by the department to your firm on the date of the 19th of June, 1905?—A. No, sir.

Q. How could you swear that Mr. Gregory never advanced you drafts except for what was due to you by the department?—A. It is because Mr. Gregory always made sure at his office that we had accounts to produce.

Q. What do you know of that yourself?—A. What do I know of it?

Q. Why do you say that, now?—A. It is because I believe he acted in that manner.

Q. Is it not true that you do not know it? Is it not true that you know nothing of what you have just said?—A. Evidently, I know nothing.

Q. Why do you say it, if you know nothing of it?—A. No. Wait a little—You ask me if Mr. Gregory always made sure that the department owed us before accepting drafts—Mr. Gregory made us advances on cheques to come, because the cheques from the department were sometimes delayed. We produced accounts, and there was, besides, the balance in suspense, and it was on the balance that he relied to be able to advance drafts.

Q. You have sworn that Mr. Gregory never made you advances without being certain you had delivered goods to the amount advanced; did you not?—A. I believe it, to the best of my knowledge.

Q. Do you swear it?—A. I could not state exactly that the thing is true.

Q. Show me your book and tell me if the draft of the 19th of June, 1905, was covered by goods delivered. (The witness consults his book and answers):—A. Will you take another one for illustration.

Q. You declare that you are not able to do it with this one?—A. Yes, sir, it is an impossibility.

Q. Now, do you swear that on June 19, 1905, you were not able to obtain \$2,000 from your bank—at that time?—A. Yes, sir, I believe I am able to declare that it was an impossibility for us to have that amount from the bank.

Q. You swear that on June 19, 1905, you were not able to have \$2,000 from your bank?—A. Yes, sir.

Q. For how many days was that draft of \$2,000?—A. To the best of my knowledge it was two or three months.

Q. Let us take the draft of the 18th of August, 1905, \$2,000 on which you paid \$100 commission to Mr. Gregory. Will you say how much was due to you by the department at that date?—A. For that year, 1905, I find it equally impossible.

Q. Then you say you are in a position to swear that in the year 1905, each draft that you had accepted by Mr. Gregory was covered by goods already delivered to the department?—A. There was the balance to Mr. Samson.

Q. What balance? Was it good for thirty years?—A. If they took six months to settle it?

Q. You keep the books, or do you not? Show me in your book for 1905 that there was a balance due to Mr. Samson on the 19th of June, 1905?—A. In the year 1905, we sold for \$21,000—

Q. I am speaking to you of the 19th of June, 1905?—A. I have a return for the total sales for the year 1905.

Q. Have you a journal for the year 1905?—A. Yes, sir.

Q. Then show me, by the journal, how much was due to you by the government on the 19th of June, 1905. (The witness consults his journal and replies):—A. We delivered—the account delivered in June that I find in my journal, shows an amount of account of \$4,996.97.

Q. That was in the month of June?—A. Yes, sir.

Q. Was it the 1st or the 30th of June?—A. It was probably for goods delivered the preceding month.

Q. Find me that in the preceding month?—A. In the month of June as well—Here is the recapitulation of the account. (The witness shows the counsel the account he refers to).

Q. You rendered an account for those goods?—A. Yes, sir.

Q. You rendered your account regularly every month, did you not?—A. Not regularly.

Q. Why?—A. We rendered the accounts in 1905—we delivered the accounts every two months and a half—three months.

By the Commissioner:

Q. Did you say to any officer of the department, no matter whom, having relations with the Marine Department, that you were prepared to give a discount of 5 per cent for ready money for the goods delivered to the department?—A. Never.

By Mr. Perron:

Q. You never made it known to any officer of the Marine Department that you were prepared to deduct 5 per cent from your accounts for ready money?—A. Never, I have said so.

Q. And you did deduct it for Mr. Gregory; that is quite clear?—A. How did I deduct it?

Q. You deducted 5 per cent for Mr. Gregory; you gave it to Mr. Gregory?—A. I paid 5 per cent interest to Mr. Gregory.

Q. You gave 5 per cent to Mr. Gregory on your accounts; but did you let the government know you were ready to give 5 per cent discount for payments down, so that the government might have benefitted by the 5 per cent discount instead of Mr. Gregory?—A. No, sir.

By Mr. Choquette, Counsel for Mr. Gregory:

Q. They never offered to pay you money down, less 5 per cent off?—A. No, sir, they never asked me for it.

By Mr. Perron:

Q. By giving Mr. Gregory 5 per cent commission there was greater certainty of obtaining orders when you asked him for them? (The witness does not reply.)

Q. Is it not true, that in your soul and conscience, you were convinced that by giving 5 per cent to Mr. Gregory, instead of to the department, you had more chance of getting orders?—A. Yes, sir.

Mr. Choquette, addressing the witness:

Q. Do you understand the question? Have you anything to add to your reply?

Mr. Perron, addressing Mr. Choquette:

Do not interpose. The witness is intelligent; he is able to answer alone.

By the Commissioner, addressing Mr. Perron:

Repeat the question to the witness, if you please.

Mr. Perron, to the witness:

Q. Is it not true that you were convinced, in your soul and conscience, that by giving 5 per cent to Mr. Gregory, instead of to the department, you had more chance

of getting orders?—A. I do not know how to really explain the impression the question makes on me, because you place Mr. Gregory and the department on the same footing. Will you modify your question?

Q. How would you have me modify it. Tell me, if you will, how to modify it, or dictate the question yourself to the stenographer—I wish to know from you—it is a simple question—whether, in your soul and conscience, you were not convinced that, by paying 5 per cent to Mr. Gregory, you had more chance of receiving large orders than in not paying. That is quite simple?—A. Yes, sir, I believe it.

Q. Now, after the reply you have given, the matter will be quickly finished. I congratulate you on your frank answer. I desire to put another question. I have forgotten—you said, in cross-examination to Senator Choquette, that the goods were delivered to the department by means of various employees of the Marine, that the goods were delivered to various employees of the Marine, who presented themselves, and were not delivered to Mr. Gregory?—A. Mr. Choquette's question was, where were the goods delivered? I said the goods were delivered to the employees, not to Mr. Gregory.

Q. What I would like to know from you now is: you will answer me as frankly as the preceding question—Did you pay commissions of 5 per cent to other employees of the department, here at Quebec?—A. No, sir, never to anyone.

Q. You never paid commissions to other employees, never to anyone?—A. No, sir.

Q. You reply as frankly as you did just now; no other employees of the department received money from yourselves?—A. No, sir, no other employee of the department received money from us.

Q. Now, a little explanation, if you please. You sold turpentine to Mr. Gregory at 75 cents the gallon. You sold to the Marine Department at \$1.10 the gallon. Why?—A. I am not able to give a sufficiently explicit explanation on that point.

Q. Can Mr. Samson who settled the prices at your store, explain it, or the other Mr. Samson, your partner?—A. I believe that Mr. Joseph Samson could give you a sufficient explanation.

Q. As to you, it is not in your department?—A. No, sir.

Cross-examined on the re-examination by Mr. Choquette, counsel for Mr. J. U. Gregory:

Q. In what year did you sell turpentine at \$1.10 a gallon?—A. It was in 1904.

Q. Mr. Gregory's account starts in 1900. Here is an account of 1901. In this, turpentine is charged at 75 cents a gallon. In the Marine Department account turpentine is charged at \$1.10 a gallon. It was in the year 1904. Were the prices the same in 1901 and 1904?—A. No, sir.

Q. Now, it was not Mr. Gregory who certified these accounts; it was Mr. Koenig?—A. Yes, sir, I see the signature of Mr. Koenig there.

Mr. Choquette, addressing the Commissioner:

Your lordship must see the difference, or the insinuation involved in the production of an account of Mr. Gregory's of 1900, where 75 cents a gallon is charged for turpentine, and placing before the witness the other account of 1904, against the Marine Department certified by Mr. Keonig, and not at all by Mr. Gregory where turpentine is charged at the price of \$1.10 the gallon.

Mr. Choquette, to the witness:

Q. Now, you say that you never paid 5 per cent that you never paid money to other employees of the Marine Department?—A. No, sir.

Q. Have you ever borrowed money from other employees?—A. No, sir, not I.

Q. Have other employees allowed you to draw drafts on them up to the sum of \$3,000 to assist you in your business?—A. No, sir

Q. Can you say whether there was any rise in the price of turpentine from 1900 to 1904 or 1905?—A. There may have been a difference of 65 cents to \$1.05 a gallon.

The account of Samson and Filion is produced at Exhibit No. 135. And further this deponent sayeth not.

